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Arbnori Assures Bosnian Delegation of Support

AU0704145493 Tirana ATA in English 0812 GMT 7 Apr 93

[Text] Tirana, April 7 (ATA)—On April 6 afternoon, Pjeter Arbnori, speaker of the Albanian Parliament, met with the Bosnian delegation headed by Munib Bisiq, minister of defence of Bosnia-Herzegovina [name and title as received]. "We recognize Bosnia-Herzegovina as an independent republic and demand that it take the deserved place in the international community," said Mr. Arbnori. He underlined that Albania agrees with the strict measures in defence of Bosnia. He added: "We are for dialogue, but its prolongation serves the Serbs to gain ground." Minister Bisiq thanked the Albanian people and government for their support and raised again the problem of housing of Bosnian refugees.

Foreign Policy Commission Views Serreqi Visits

AU0804060693 Tirana ATA in English 1803 GMT 7 Apr 93

[Text] Tirana, April 7 (ATA)—The permanent Commission of the Foreign Policy and International Relations of the People's Assembly convened on April 7 under the chairmanship of Mr. Eduard Selami. The meeting examined the results of the visits and meetings that the Albanian Foreign Minister Alfred Serreqi had during February and March in China, Hungary, Germany, and Austria.

The commission valued them as successful, stressing that they have contributed to the consolidation of relations and cooperation with these countries and to the solution of the actual problems of mutual interest.

It also valued the intensive work of Albanian diplomacy during this period considering it fruitful for the political and economic reform in Albania and for the national question.

The commission raised the question that mass media should make a more complete and regular coverage of such activities.

Deputies Discuss Agricultural Privatization

AU0704074893 Tirana ATA in English 1023 GMT 6 Apr 93

[Text] Tirana, April 6 (ATA)—[passage indistinct] He substantiated to the superiority of this system over the cooperativist one. The peasants income increased by 46 percent. This shows that the reform under application serves the peasantry. He underlined that last year the total of cows increased by 3 percent and that of male cattle by about 4 percent as opposed to a year ago.

Then Mr. Uka concentrated on the program of the government regarding the privatization of agricultural enterprises, by establishing joint enterprises with the foreign capital and delivering the land to ex-workers of these enterprises.

Mr. Uka underlined that the new democratic government is involved to provide peasants with chemical fertilizers, seeds and pesticides, and considerable equipment to meet the pressing needs of agriculture. Mr. Uka also concentrated on some of the priorities of the development of food industry so as to keep with the rates of the agricultural development.

In regard to the replies of Minister Uka, the deputies aired their opinions. Fatos Nano, chairman of the Socialist Party, said that the program presented by the government runs counter to the program of Democratic Party. This program matches only the minority. He made remarks for the delay in delivering the land and the destructions of the agricultural enterprises.

Haxhi Aliko of the Social Democratic Party appreciated the replies of Mr. Uka. He also made remarks in regard to the delay in delivering title deeds, privatization of agricultural enterprises. He also demanded that the Ministry of Agriculture and Food separate as their joining is untimely under the present conditions.

Deputy Tonin Alimehilli of the Democratic Party said that the road pursued by the democratic government is correct because it freed the peasant from slavery and made him owner of land. He underlined some facilities the government has offered to the peasant, such as the abolition of taxes for two years, compensation for the mountainous areas, the supply with seeds and agricultural equipment. These measures had their impact both on agriculture and livestock as well.

The People's Assembly will continue its proceedings on April 6 morning.

Zhelev Meets Agricultural Confederation Members

AU0904100693 Sofia BTA in English 1724 GMT 8 Apr 93

[Text] Sofia, April 8 (BTA)—The Executive Council of the Bulgarian Agricultural Confederation was received today by President Zhelyu Zhelev. Mr. Todor Pandov, president of the confederation, and the members of the Executive Council set forth their views on the problems of agriculture and expressed concern over its present state.

The Bulgarian Agricultural Confederation was founded on September 14, 1991 as a public organization uniting seven regional and 11 branch unions of farmers.

According to the representatives of the Bulgarian Agricultural Confederation, there are four basic problems: the delay in the agrarian reform; the delay in the process of the liquidation of the old structures and their replacement for new ones; the politicizing of the problem of the limits within which land should be restituted to its rightful owners; and the absence of a comprehensive state policy on a radical agrarian reform. It was pointed out that the legal framework of this reform is extremely unsatisfactory.

At the meeting Dr. Zhelev said that the politicizing of the problems in agriculture impedes their solution and that consensus based on laws is needed. The quick restitution of land is of national importance and its owners should themselves decide what to do with it, he said. The president said that the middle class is the mainstay of democracy and that the surest way for its formation is the restitution of land to its owners.

It is necessary to step up the process of land restitution, to establish conditions for the emergence of new forms of farming and to adopt concrete economic measures for assisting producers, Mr. Pandov told journalists after the meeting. It is an illusion to believe that the problems of farming will be solved with the restitution of the land if there is no state policy for economic assistance, he added. We expect President Zhelev to use his powers and exert influence on the government, parliament and the political forces for a quick and efficient solution of the problems in agriculture, Mr. Pandov said.

Interior Minister Discusses Police Reforms

AU0904084593 Sofia PODKREPA in Bulgarian 1 Apr 93 pp 1, 3

[Interview with Interior Minister Viktor Mikhaylov by Nataliya Todorova; place and date not given: "We Will Do What Is Necessary To Complete the Reform in the Interior Ministry"]

[Excerpt] [Todorova] Minister, at the national police conference in Plovdiv it was predicted that organized crime would rise sharply in Bulgaria. At the same time, we hear of numerous resignations and constantly read about all kinds of "disclosures" in connection with the Central Service for Combating Organized Crime [TsSBOP]. You declared that you are dissatisfied with the service's work. Can you be more precise?

[Mikhaylov] The service's previous chief, Kiril Radev, is a good fellow, with proven professional qualities. I spent some time working with him in the Sofia City Police Department, and dealt with cases in which he was the operational officer in charge. However, the service that he headed until recently has quite different functions. Its officers are the best available. They are selected competitively and their duties comprise gathering operational information and supplying evidence, so that guilty people can be handed over to the investigation service, the prosecution service, and the courts. Radev now says: "I sent the information to the Interior Ministry." However, his job is not to send me information that he has received a tipoff about a crime, but to work on the case within the TsSBOP under the necessary conditions of secrecy, assemble dossiers of evidence, and then inform me. My deputies and I have the job of managing the ministry, not of catching bandits or engaging in correspondence. Radev simply could not understand what his functions were as chief of the TsSBOP.

[Todorova] People say that certain services within the Interior Ministry are interested in abolishing the TsSBOP. It is said that promises were made to hand over the counterterrorism work to Arlin Antonov and to hand over the work on organized crime, narcotics trafficking, and so on to the National Police Directorate. The story is that the regional police directors support this idea.

[Mikhaylov] This is all pure fantasy. I will provide some proof to show that our ministry has great respect for this service. For example, we transferred to the TsSBOP all the equipment, worth 2 million German marks, that the Germans provided, although the other services did not even receive a motorcycle, and the entire state is impoverished. The people that we sent abroad for training were also from the TsSBOP.

[Todorova] Do you agree that responsible state employees in vulnerable positions take the precaution of establishing links with various companies, foundations, and so on, in case they lose their jobs. You recently mentioned yourself that if you are dismissed, you will work as a lawyer. However, what would it mean for the ordinary citizen's security if lowly police constables thought in this way?

[Mikhaylov] This is indeed a very serious problem. My official position depends on the situation in the National Assembly, and everyone knows what that is like at the moment. Unlike my police officers, I have no labor contract governing my employment. However, the anomaly that has developed during the last three years with 14,200 people leaving the Interior Ministry in this period, the continual changes and feeling of insecurity make people want to leave. They simply do not know where they will find themselves tomorrow. The most

striking example is that of the regional police director in Pazardzhik, who has been replaced five times. On the sixth occasion I took care of the order, because this had become too much.

[Todorova] In fact most staff changes seem to have been made under former Minister Sokolov.

[Mikhaylov] So many professionals left the service that there was simply no one left in the Interior Ministry's services to do the jobs that had to be done. Whether for party-political reasons or as a result of wrong decisions, the fact is that over 14,000 people left the ministry's employment, especially during the political merry-go-round that took place last year.

[Todorova] The salary of the ordinary police officer has not changed, despite the rise in the crime rate. Will it change anything if the regional police directorates are financed separately, and the budget funds are allocated to the National Police Directorate instead of to the Interior Ministry?

[Mikhaylov] Yes, we are moving toward decentralization, and perhaps in two or three years the National Police Directorate will be independent. As regards increasing police officers' pay, this will happen, although the raise will not be enough. [passage omitted]

UK Defense Official, Aleksandrov Hold Talks

AU0904075193 Sofia BTA in English 1801 GMT 8 Apr 93

[Text] Sofia, April 8 (BTA)—"The purpose of my visit here is to come and familiarize myself with developments that are taking place in Bulgaria and see what offers we can make of help, with the development of democracy in this country, and particularly the development of the Bulgarian Ministry of Defence as part of the democratic institutions of this country," said Archie Hamilton, minister of state for the Armed Forces of Britain. He arrived on a two-day official visit here today at the invitation of Deputy Defence Minister Mikhail Srebrev. This is the first visit by a senior official of the British Defence Ministry in about fifty years.

The two Defence Ministries will sign a cooperation agreement in the autumn. Bulgarian Defence Minister Valentin Aleksandrov and Archie Hamilton today agreed the sides would coordinate the document at expert level. It will probably be signed during Mr. Aleksandrov's visit to London, Mikhail Srebrev told BTA.

The two defence ministries will activate their cooperation even before the official document is signed. More Bulgarian military officers will get training in Britain. Bulgarian military and civilian officers have completed English-language courses organized by the British Council in Sofia, said Mr. Srebrev.

At his meeting with the defence minister, Mr. Hamilton said Britain shares Bulgaria's view that countries neighbouring on the former Yugoslavia must not intervene in possible military actions aimed to stop the armed conflict. The sides expressed concern over the developments in Bosnia and Herzegovina and the danger that the crisis may spread into other regions of the former Yugoslavia, Mr. Srebrev said.

The British guest met with representatives of the General Staff of the Bulgarian Army to discuss bilateral military contacts and opportunities for their expansion.

After the talks Mr. Hamilton presented photocopying equipment to the Customs Chief Department of the Finance Ministry. It is the first shipment of British Government assistance to Bulgaria in connection with the sanctions against the former Yugoslavia.

Tomorrow Mr. Hamilton will meet Deputy Prime Minister Neycho Neev and will visit a military unit in Gorna Banya near Sofia.

Deputy Minister Briefs Media on WEU Meeting

AU0704192093 Sofia BTA in English 1132 GMT 7 Apr 93

[Text] Sofia, April 7 (BTA)—Bulgaria accepts in principle the initiative of the Western European Union (WEU) for more rigorous sanctions enforcement against Serbia, Deputy Foreign Minister Todor Churov told a news conference today. He attended a meeting of WEU foreign ministers in Luxembourg. The initiative, covered by the world news agencies, involves sending patrol boats and about 300 police and custom officers to check and, if necessary, detain ships suspected of violating the UN embargo against Belgrade.

The three Danubian countries - Bulgaria, Romania and Hungary - accepted the initiative in principle. The Hungarian representative said Hungary had not asked for such assistance. Bulgaria did not ask for assistance either but did not say so at the meeting. Todor Churov told the press the three countries differed in their position mostly on legal and technical aspects of the initiative, not on the initiative itself.

Todor Churov spoke about the position Bulgaria expressed at the meeting. Bulgaria sets a high priority on its integration into the European security structures and the WEU is seen as such a structure. In principle, this country accepts the WEU initiative. However, the Bulgarian representative clearly stated in Luxembourg that Bulgaria categorically insists on non-use of force. This country is enforcing the sanctions against Serbia and is sustaining heavy losses. It insists that the WEU consider this question. According to Bulgaria, each initiative should be implemented within the framework of the existing mechanisms.

Details of the implementation of the initiative will be specified at a follow-up meeting. Asked about the international law obstacles to the WEU initiative, the deputy foreign minister said that being a party to the Belgrade Convention, Bulgaria has certain commitments.

Cabinet Approves Changes to Law on Insolvency

AU0904064093 Sofia BTA in English 1401 GMT 8 Apr 93

[Text] Sofia, April 8 (BTA)—The government today approved amendments to the Commercial and Penal Codes intended to regulate insolvency proceedings.

The draft amendments provide a legal framework for declaring insolvency by natural and juristic persons and commercial agents as defined in the Commercial Code.

Minister of Justice Misho Vulchev specified at the Government Press Office that insolvency proceedings are launched when debtors cannot meet liabilities and the latter exceed assets.

The proposed amendments to the Penal Code envisage penalties for deliberate or imprudent behaviour leading to insolvency and thereby harming creditors' interests. They provide for magistrates to decide whether, in some cases, there are grounds for seeking criminal responsibility.

The government today approved the debt-rescheduling agreement with Japan signed on March 30. It also approved an agreement with the United States on trade in textile articles, a draft accord with Romania on the avoidance of double taxation and a draft agreement between the Foreign Ministries of Bulgaria and Russia.

The Council of Ministers today decided to guarantee loans to coal mines and heat power companies totalling 400 million leva. The money is granted by the Energetika'92 Bank Consortium set up late last year by the Economic Bank, Balkanbank and the Bank for Agricultural Credit and intended to finance power engineering. The loan will be used to pay wages for the first quarter. The principal and interests will be repaid by the exchequer in 1993.

Proposes Dismissing Lyutskanov

AU0904063093 Sofia BTA in English 1827 GMT 8 Apr 93

["Today"—BTA lead]

[Text] Sofia, April 8 (BTA)—In connection with a proposal by the government to dismiss General Lyutskan Lyutskanov, commander of the Land Forces, the spokesman for the president Valentin Stoyanov told the press Dr. Zhelev received the Council of Ministers' proposal today. "It will take some time to go into the motives and find whether they are sound because a senior officer is concerned," said Valentin Stoyanov. He added the president is not bound to approve each Council of Ministers' proposal. According to the principal dailies, the cabinet's motives are General Lyutskanov's marked party affiliations, low professionalism and his taking advantage of his office. "Under the law, General Lyutskanov is commander of the Land Forces performing all his obligations until a decree is issued," Stoyanov said.

The government headed by Prof. Lyuben Berov was not backed by any parliamentary group, Ivan Glushkov, leader of the Christian Agrarian Party, said at a briefing today. The Christian Democrats assess the cabinet's 100 days negatively because it failed to carry on with the reform and did nothing to replace the system. According to Glushkov, this time was wasted and the Bulgarian Socialist Party and the Movement for Rights and Freedoms which supported the cabinet should share the political and moral responsibility. The Christian Agrarian leaders said early elections were inevitable and necessary to bail the country out of the political and economic crisis. The Christian Agrarian Party is not afraid of running in them on its own, Glushkov said. The relations between the party and the Union of Democratic Forces are based on their close principled views, he said.

The Bulgarian ship Khan Kubrat, chartered by a private company, with six barges carrying 4,270 tonnes of gas oil, has been at anchor in the port of Vidin on the Danube River. It was stopped for a check by representatives of the State Shipping Inspectorate, the Vidin customs authorities and the border guards. According to the shipping documents, the convoy is carrying gas oil for a company based in Bratislava. The ship was first examined in the port of Reni. It was loaded from another ship at sea. The control authorities are examining the validity of the permit granted by the sanctions committee for transiting of embargoed goods on the Danube through Serbian territory. There still is no reply about the permit's validity, said Nedyalko Yolov, chief of the Vidin customs. The State Shipping Inspectorate in Vidin said that when passing Silistra and Ruse, the Khan Kubrat gave false information about the cargo and its destination. Unless the sanctions committee confirms the permit, said Yolov, the ship will not go any further.

Bulgarian ships and helicopters searched for a sailor of the Turkish ship Kocmar around the mouth of the Kamchiya River in the Black Sea for several hours but did not find him, the Bulgarian Navy said today. The sailor had no life jacket and stood a slim chance of survival in the cold water. The captain of the Turkish ship thanked the Bulgarian sailors this morning and said the crew did not know where exactly the man fell overboard last night. The Kocmar has sailed away.

ADC, a branch of the Sofia-based Radio 99, the first private radio in Kurdzhali (southern Bulgaria) is on the air from 10 to 12 AM [0700-0900 GMT] and from 4 to 7 PM [1300-1600 GMT]. Its broadcasts are received in Kurdzhali. In several months they will be relayed to adjoining municipalities in the Rhodopes. Radio 99

broadcasts will begin to be received in Kurdzhali by the year's end, while local programmes will be aired in Sofia. This country has 25 private radio stations, of which seven are based in Sofia.

Inflation in March ran at 5.6 percent, BTA learned from the National Statistical Institute. Food prices rose by an average 7.5 percent. Prices rose as follows: bread 13.2 percent, fresh vegetables 20.7 percent, non-foods 4.1 percent, services 2 percent.

The pro-government KATHIMERINI of Greece today comments on the proposal made by Prime Minister Konstandinos Mitsotakis during his visit to Belgrade that Greece mediate a summit meeting between Bulgaria and Serbia. The author says Bulgaria's policy towards the Yugo-crisis is "stable" and sound. According to the author, both the previous government headed by Filip Dimitrov and the present one headed by Lyuben Berov have adhered to the principle of Bulgaria's non-intervention in a possible escalation of the Yugo-crisis. I KATHIMERINI says that given Serbia's international isolation, Bulgaria and Greece are "points of stability" in the Balkans. Bulgaria is described as a "constructive neutral" in the Balkans because it "prevented the formation of two opposed blocs of Balkan states." "The Ankara-Sofia-Skopje-Tirana axis is an aspiration of Turkish diplomacy, while Bulgaria keeps its current foreign policy orientation," says the newspaper. Bulgaria is in favour of an inter-Balkan guarantees and security system, the author says. The policy of preserving the status quo determines Sofia's position on Skopje, he says. "Bulgaria's current realistic policy precludes aggressive claims on 'compatriots' across the border. The only constant element in relations between Sofia and Skopje is the insistence that the new state guarantee it will not pursue an anti-Bulgarian policy," I KATHIMERINI says.

Defence Minister Valentin Aleksandrov gave some explanations in parliament today on sociological polls conducted in the Army. Yesterday parliament decided to set up a special commission of inquiry in connection with a sociological poll conducted among officers, NCO's and soldiers on their attitude to institutions and politicians and asking them how they would accept an ethnic Turk or a Gypsy as their neighbour or commander. Defence Minister Aleksandrov pointed out that four sociological polls were conducted during the term of ex-Defence Minister Dimitur Ludzhev which also asked the respondents of their attitude to events in the past. The defence minister informed parliament that the poll which caused a scandal in parliament yesterday started during the mandate of the previous defence minister, Mr. Aleksandur Staliyski. Defence Minister Aleksandrov cited data of the poll, according to which understanding between the ethnic communities is an important factor for this country's national security for 80 percent of the officers and 68 percent of the soldiers. 49 percent of the military believe that the sentences of the "people's courts" (which tried those accused of involving Bulgaria in World War II on the side of Nazi Germany) are just. Mr. Stefan Savov, floor leader of the parliamentary group of the Union of Democratic Forces (SDS), said that he did not contest the results but the fact that the military are being provoked with such questions.

This afternoon the 1993 National Budget bill was officially submitted to the chairmanship of the National Assembly. According to the established practice, the National Budget bill should first be discussed by the respective parliamentary committees—the Economic and Budget Committees and the Legislative Committee, and then be moved in the debating chamber.

Intelligence activities in favour of foreign forces have been established on the territory of the former district of Ruse, Mr. Nikolay Nenov, chief of the National Security Service with the regional directorate of the interior, told a press conference today. A specialized unit of the service is working against these actions seeking to counter and restrict them. Mr. Nenov spoke of a proposal made to the competent authorities in Sofia to restore the post of security officer at the Ruse-based Dunarit Military Company and to establish the necessary system of security measures. This will take place by the end of May. As became known after the explosion at Dunarit about a month ago, which killed five people, the security officer was laid off by decision of the plant management several years ago, something inadmissible at a military plant. In view of economic security a special unit of the regional directorate of the interior is carrying out comprehensive inspections at all Ruse enterprises in which major industrial accidents could take place.

Parliament Debates on Land Act Amendments

AU0904064393 Sofia BTA in English 1730 GMT 8 Apr 93

[Text] Sofia, April 8 (BTA)—For the second day, the Bulgarian Parliament is debating amendments to the Land Tenure Act passes in early 1991 and amended later on.

After heated debates, parliament passed on the first reading amendments sponsored by three MP's of the anti-communist Union of Democratic Forces [SDS]. Under the amendments, persons who were given plots of arable land by managements of the disbanded cooperative farms can no longer use them. Such persons can receive titles if they have built buildings on the plot. In the course of the debates, the MP's cited many cases of putting up residential buildings on arable land. The amendments also envisage a write-off of the debt to the government and banks of the disbanded cooperative farms.

Parliament passed on the first reading amendments to the Act's transitional and final provisions. Farmers will be able to set up associations which will have a right to hold a share in the property of collective farms. These will be able to make decisions on all issues linked to the liquidation of cooperatives and elect or dismiss temporary liquidation commissions. The sponsors believe that

by setting deadlines to liquidation commissions, they will create prerequisites to sped up the land reform.

After heated debates, MP's rejected a scheme to return to owners land on which field-protecting shelter belts have been planted and land included into the state woodland stock, excluding plant nurseries.

New Director of Crime Control Service Appointed

AU0804064093 Sofia BTA in English 1946 GMT 7 Apr 93

["Today"—BTA lead]

[Excerpts] Sofia, April 7 (BTA)—Parliament today opened a debate on four bills to amend the Agricultural Land Tenure Act, passed in early 1991 and amended in 1992.

Parliament resolved to appoint an ad hoc commission of inquiry into a sociological survey, conducted in March 1993 among Bulgarian Army commissioned and non-commissioned officers and enlisted men. They were polled on their view of state institutions, political and trade union leaders, as well as on their reaction to an ethnic Turk or Gypsy being their next-door neighbour, friend or commander. The floor leader of the Union of Democratic Forces (SDS) Stefan Savov described the incident as a disgrace, and the former Defence Minister Mr. Aleksandur Staliyski MP of the SDS told parliament that the Bulgarian Army was not depoliticized. [passage omitted]

National Assembly Chairman Aleksandur Yordanov today received Mr. Willy de Clerq, president of the Federation of Liberal Democratic and Reformist Parties in Europe, who is paying a visit here arranged by the Friedrich Naumann Foundation. The guest met members of the DPS [Rights and Freedoms Movement] parliamentary faction and, later on, MP's of the Radical Democratic Party. The Bulgarian Radical Democrats were invited to apply for an observer status at the Federation of Liberal, Democratic and Reformist parties in Europe.

Bulgarian Deputy Foreign Minister Dimitur Ikonomov is visiting Budapest. Today he was received by Hungarian Minister of Foreign Affairs Mr. Geza Jeszenszky. They discussed matters of shared interest concerning bilateral cooperation. Mr. Ikonomov conferred with Mr. Dejnes Tomaj, deputy state secretary of the Hungarian Foreign Ministry. Tomorrow he is scheduled to hold talks with Mr. Ivan Baba, deputy state secretary of the Foreign Ministry.

Colonel Feodor Vladimirov, 46, has been appointed director of the Central Service for Organized Crime Control. He was born in Sofia and has graduated in law. He is married, with two children. He joined the Interior Ministry in 1968 and served for more than 20 years as detective and investigator of crime. He has been working at the Central Service for Organized Crime Control since it was established in 1991 as chief of sector.

At its regular news conference today the Alliance for Social Democracy, a faction within the Bulgarian Socialist (ex-Communist) Party [BSP], announced that it welcomed the efforts of Lyuben Berov's cabinet to revive agriculture. The Berov cabinet will complete 100 days in office on April 10. Mr. Dimitur Yonchev MP of the BSP, deputy chairman of the alliance, said it is still too early to assess the government's privatization performance as it was a question of a long-term process. Alliance leaders said that the cabinet should undergo personnel changes immediately after parliament passes the 1993 National Budget.

Mrs. Diana Damyanova, vice president of the Confederation of Independent Trade Unions in Bulgaria, one of the two principal labour amalgamations, told the press today that the confederation consider it pointless to have representatives at cabinet meetings any longer. Mrs. Damyanova says the reason is that the trade-unionists were not given advance information on the agenda of the meetings, which turned "trade unions into the government's wall-flowers." Mrs. Damyanova criticized the cabinet's first one hundred days in office.

President Zhelyu Zhelev today visited two population centres in the region of Lovech (north central Bulgaria) to get familiar with the problems of land restitution. Farmers in the area of Shumen (northeastern Bulgaria) launched mass protest actions. They insist on an acceleration of the land reform and protest "the ongoing decline of farm production, the critical condition of animal husbandry and the growing rural unemployment." In the last few days, farmers have started protests in other parts of the country, and last week pig breeders from around Bulgaria arrived in Sofia and staged a protest action in front of parliament building against the failure to solve the problems of their branch. Some 850 members of the local cooperative continued to occupy the municipal council in Bregovo, northwestern Bulgaria. They want to have the land they own allocated to them for farming immediately, before the ultimate land distribution. [passage omitted]

A seminar on mathematical models in nuclear and radiation safety was opened here today. It is organized by the Committee for the Peaceful Uses of Atomic Energy and the Academy of Military Medicine. The chairman of the committee Yanko Yankov says the idea of the seminar is to help Bulgarian experts and scientists to set forth their theoretical developments of the mathematical models used in the evaluation of the nuclear and radiation safety of the reactors of the Kozloduy Nuclear Power Plant. The risks of radiation contamination in an accident will also be discussed. The BTA correspondent in Kozloduy reported today that the 23,000 gas masks recently bought from Germany are already being issued to the local residents for personal protection in the event of an accident at the N-plant.

The snow storms which hit eastern Bulgaria between March 3 and 13 inflicted damage to property valued at over 56 million leva, the Standing Commission for Protection of the Population Against Natural Disasters and Industrial Accidents at the Council of Ministers said today.

Two Zhelev Advisers Move to Other Posts

AU0904094093 Sofia 24 CHASA in Bulgarian 2 Apr 93 p 2

[Staff report: "President Zhelev Has Lost Two of His Advisers"]

[Text] According to well informed sources, Mariana Todorova and Rumen Danov left their positions in the president's office in order to assume other posts in the Civil Service.

Mrs. Todorova, who was President Zhelev's adviser on economic affairs, is moving to the building next door, namely to the Council of Ministers headquarters, where she will be exclusively occupied with the affairs of the Government Commission in charge of settling Bulgaria's foreign debts.

A few days ago, however, members of parliament admitted that the representatives of the Deutsche Bank were not quite satisfied with her appointment.

Rumen Danov, the president's adviser on national security questions, is supposed to have departed for the United States on an unknown mission. According to well-informed sources, his task was not related to his previous field of work.

Mr. Danov did not specify the duration of his visit to the United States, but some of his close associates hinted that he would stay more than six months.

Presidential Adviser Discusses Regional Security

AU0704135693 Sofia BTA in English 1057 GMT 7 Apr 93

[Text] Sofia, April 7 (BTA)—"Bulgaria can fend off any military provocation against its integrity," Lieutenant General Stoyan Andreev, presidential adviser on national security, says today in an interview for BULGARSKA ARMIYA.

Stressing that Bulgaria complies with the principles of building security and order in Europe, General Andreev says: "Bulgaria does not rely on political and diplomatic security guarantees alone .. To prove his declaration, he says the Bulgarian Army and special services employ good experts, have up-to-date equipment and a good level of training and interaction among the various branches under the general staff's supervision.

The greater numerical strength of the armies of the neighbouring states is depressing, according to the presidential adviser. According to General Andreev, there are a lot of new points to consider in assessing the military threat. He says Bulgaria faces no threat of war on all sides. Bulgaria's neighbours to the south, Greece and Turkey, are members of NATO and would not take military action against anybody without NATO's prior consent. The ongoing reduction of the military rivalry between Bulgaria, on the one hand and Greece and Turkey, on the other—strengthening military confidence-building measures—has enhanced national security, according to the general.

"I think, surprise can be ruled out almost entirely," General Andreev says, asked whether Bulgaria could be taken by surprise in a probable war in the Balkans. "We can rely on our Army and our people, the president's adviser thinks. He believes Bulgaria can count on support from NATO, the U.S., Russia and Europe, which back its current foreign policy.

In his interview, General Andreev discusses internal security. He thinks there is cause for alarm. Organized crime is acquiring especially alarming dimensions, the presidential adviser says. He stresses the need for parliament to pass the acts on defence and the Armed Forces and on the Consultative Council for National Security.

Klaus Discusses Planned Changes in Tax Law

AU0904093993 Prague HOSPODARSKE NOVINY in Czech 5 Apr 93 p 2

["ha"-signed report: "Businessmen's Burden Will Be Eased"]

[Text] The possibility of writing off a part of invested resources from taxable profit is considered by Prime Minister Vaclav Klaus as the most important amendment to tax laws to be adopted this year. Entrepreneurs' and businesses' medical and social insurance payments should be recognized as expenditures that can be written off by a flat rate.

The government's ministers discussed the "fine-tuning" of tax laws on Friday [2 April]; the exact wording of the proposed changes will be prepared for the Czech Government by the Ministry of Finance. The Chamber of Deputies could deal with them before the end of April.

The fact that businessmen will be able to include medical and social insurance payments among expenditures that can be written off by a flat rate should represent for them a savings of approximately 150 million korunas. Another easement for them should come from a new method of paying advances for the corporate tax. Until now, the advances have been paid on a quarterly basis; under the proposed method, they would be paid twice a year—the first advance until the end of June and the second advance until the end of November. The advance would represent 80 percent of the previous year's tax liability and not 100 percent as is the case now. The remaining 20 percent would be settled in the tax returns the following year.

Another change concerns the value-added tax. Businessmen who surrendered more in taxes than they had collected from their customers ought to be reimbursed within 45 days rather than within 75 days, as is the case now. Some goods that are currently subject to a value-added tax of 23 percent should be put into the category of goods subject to a value-added tax of 5 percent. This will concern, for example, ecological products such as catalytic converters. The list of these products is currently being finalized. This measure should help save consumers about 100 million korunas [period not specified].

The government's proposal on taxes has three basic stages. The first stage concerns immediate changes, the second stage is a medium-term outlook and concerns changes that should go into force on 1 January 1994, and the third stage is a long-term concept. The general aim is to gradually reduce the rate of taxation and make tax rates uniform. As of next year, the rates of direct and indirect taxes, including value-added tax, should start moving downward by approximately 2-3 percent. Various deductible items, on the other hand, should be raised.

The possibility of exempting from the tax a part of invested profits should also concern medium-sized and bigger enterprises. As Vaclav Klaus stressed, it is very important to boost investments in our country. "Whereas last year it was the building industry that was the driving force behind a certain economic growth, today this role needs to be assumed by manufacturers of capital goods." The question is whether to provide the aforementioned possibility indiscriminately or whether to select some regions and support them in this way. Another question is whether these regions should be selected according to the degree of environmental pollution or according to the rate of unemployment.

Klaus Says Slovak Property Demands Absurd

AU0804171293 Prague LIDOVE NOVINY in Czech 7 Apr 93 p 1

[CTK report: "Bad Signals from Slovakia"]

[Text] Prague—In connection with the division of property between the Czech Republic and the Slovak Republic, Prime Minister Klaus says that the Slovak side has never raised demands for the so-called "zero-option" [nulove reseni], the settling of claims which would include the property of the former federal organs, the flag, and compensation for territory that Slovakia lost to Poland and the Czech Republic acquired in Silesia. The prime minister described these demands—which, according to the Slovak side, were only raised to be released in the mass media—as "absurd and laughable." "I do not want to get ahead of the situation, but the signals coming from Slovakia are not good.

The hide-and-seek policy and the refusal to listen to certain things not only persist but have gained a new dimension. This is not a very good signal before the meeting of the property commissions on Wednesday," Klaus said. He also said that there are three alternatives in the talks with Slovakia. One is to wait and hope that someone will come to his senses or that internal political or economic reasons will push him toward a solution of some kind, that is, to adopt the attitude which the Czech side has maintained all along. Another is, in his opinion, to wave our hand magnanimously and stop talking about it. The third is to escalate the situation and to spite one another. He said that all three alternatives are bad and hopes that the Czech public understands that. "We can only combine the three, there is no fourth alternative."

Assesses Slovak Policies

LD0804125793 Prague CTK in English 1142 GMT 8 Apr 93

[Text] Prague April 8 (CTK)—Czech Premier Vaclav Klaus believes that today's major problem is to maintain a certain level of trade between the Czech and Slovak republics.

In an interview published in the slovak weekly "DOMINO EFEKT" today, Klaus says he always

wanted coupon privatisation to be implemented under the original scheme. We have confiscated nothing and have deprived nobody of their property, Klaus says. He says the Czech Government's decision to suspend issuing shares of Czech enterprises to Slovak coupon-holders was meant to prompt Slovakia into speeding up negotiations (on federal property division), as it was not very eager to do so. He says it would be possible to talk about confiscation if shares were not really issued. Nothing of the kind has happened, Klaus says.

Klaus voices the conviction that Slovakia has the preconditions to continue reform toward a market economy as it has already implemented the needed changes in its economic system. He says Slovakia is currently going through a stage which could be compared with the position of Germany in early 30's, when a moratorium on prices led to the establishment of regulative state bodies. He says that introduction of a regulated economy in Slovakia would mean a step backward.

Klaus believes that the Slovak politicians who were pushing for the division of Czechoslovakia had underestimated something. He divides Slovak politicians into three groups. One group was composed of followers of pure Slovak fundamentalism, who were quite unconcerned with Slovakia's economic prospects because they believed that the independence of Slovakia was the highest consideration. The second group was represented by pragmatic politicians who were seeking power, and who comprehended political and economic reality but placed it second. The third group was made up of politicians who badly analysed the economic reality in Slovakia and believed in fairy tales about Slovakia paying for Czechs and that after the joint economy was divided everything would be different.

Klaus stresses that only these three groups are currently representated among real political forces in Slovakia, adding that this does not mean there are no Slovak citizens who understand the actual state of things.

Baudys Explains Position on Bosnian Intervention

AU0804184893 Prague LIDOVE NOVINY in Czech 3 Apr 93 p 3

["em"-signed report; statement by Defense Minister Baudys; place and date not given: "Who Are We Going To Send to Bosnia?"]

[Text] Prague—"The decision on whether the Czech Republic will send combat units to Bosnia-Herzegovina is with the Chamber of Deputies, and possibly the government. It cannot be decided by the defense minister alone," Deputy Foreign Minister Bratinka told reporters yesterday. He expressed "great surprise" over the statement made by Defense Minister Baudys, who is supposed to have said at a meeting with NATO representatives in Brussels last week that in the event of need, the Czech Republic would not send combat units to Bosnia but just logistical support units.

We asked Defense Minister Baudys for an explanation:

[Baudys] I am not at all clear why Deputy Minister Bratinka is commenting on this issue. After all, it is a matter of elementary knowledge that, subject to government approval, Parliament decides on any deployment of troops of the Czech Republic Army. In Brussels, I only expressed the readiness of our Army to execute such a decision. Combat units cannot be considered because of their incompatibility with the Western armies. Therefore, we only can offer logistical support or medical units. This offer was very favorably accepted by U.S. Assistant Secretary of Defense Perry."

Government To Protest EC Agricultural Policies

AU0804170393 Prague CESKY DENIK in Czech 6 Apr 93 pp 1, 2

["jps"-signed report: "Government Against the EC Agrarian Policy"]

[Text] Prague—The Czech Government intends to openly voice protests against the EC's agrarian policy regarding subsidizing food production and exports. This ensued from the speech by Prime Minister Klaus and Agriculture Minister Lux after a meeting with representatives of agricultural organizations yesterday. The government cabinet will support the policy of the United States, New Zealand, etc. in that matter on the international scene, a policy that is oriented toward the liberalization of the world agricultural market and the reduction of production and export subsides.

Possible protection of the internal market will be individually evaluated for each commodity and its duration will be limited in time. Because of excessive dumping prices set by foreign growers, apple imports to the Czech Republic could be halted in the days to come in accordance with valid GATT agreements. The Czech prime minister and Polish Prime Minister Suchocka will discuss the possibilities for closer cooperation concerning the liberalization of the agrarian market. "What the EC chiefs say at the meeting in Copenhagen, which is expected to take place in two months, will be decisive for us," Prime Minister Klaus stressed.

Bavarian Parliamentary Group Visits Prague

AU0804123293 Prague CTK in English 2028 GMT 6 Apr 93

[Text] Prague April 6 (CTK)—Renate Schmidt, vice-president of the German Bundestag, said today she understood the necessity for the establishment of firm and well-functioning borders between the Czech and Slovak Republics.

Schmidt is on a two-day visit to Prague at the head of a Bavarian parliament delegation from the Social Democratic Party (SPD). She told journalists that during her talks with Czech politicians she had heard good reasons for taking such a step.

It is necessary for the Czech Republic to have a properly functioning border with Slovakia to be able to regulate and in case of necessity to limit the flow of refugees from Eastern Europe, she said. We will recommend that the German Government intensify talks already started with the Slovak Republic on the issue, she said. She described the fact that Slovakia insufficiently controls its border with Ukraine as one of the reasons why the border between the Czech and Slovak Republics must be firm.

Schmidt voiced satisfaction that there exists the possibility of applying for refugee status in the Czech Republic. She said though nothing could be said against the regulation from the perspective of international law, this must not lead to a situation in which the Czech Republic would be burdened by the flow of refugees from both West and East.

Bavarian parliamentarians stressed the need to reassess the current practice of labor force exchanges between Bavaria and the Czech Republic which leads to social disturbances in some border regions on German side with higher unemployment.

Schmidt said, however, that the goal is not to restrict the number of foreign workers in Bavaria or to reject such cooperation at all but to better organize it, according to the needs of individual regions. Schmidt mentioned the increase of income tax of Czech employees in Bavaria as one of the possibilities.

The Bavarian parliamentarian delegation which came to Prague Monday [5 April] held talks at the Czech Foreign Ministry, Interior Ministry and Economics Ministry.

Statistical Office Chief Tenders Resignation

AU0804131093 Prague CTK in English 1327 GMT 5 Apr 93

[Text] Prague April 5 (CTK)—Czech Statistics Office (CSU) Chairman Eduard Soucek handed in his resignation today to the Chamber of Deputies Chairman Milan Uhde, Soucek told CTK today.

I do not want to lose my reputation of being independent, Soucek explained his decision.

Czech Premier (Vaclav Klaus) has pointed out several times my inability to support at the right time the government by statistical data, he said.

It is unacceptable to him to hold the post that is meant as provisional and wait until the government coalition agrees which political party will be allotted the post, Soucek said in his letter to the Chamber.

The coalition devastates the CSU prestige by its activities. A number of specialists have left the CSU due to the instability, continues the appeal.

The appointment of a coalition representative as CSU chairman could lead to a decrease in public trust in the objectivity of statistical data, characterizing the governmental plan fulfillment, Soucek says.

Klaus thinks the CSU should take part in the presentation of statistical results. Former Federal Statistics Institution director and present director of the CSU Collection Information Section Ivan Sujan regularly personally provides the government with statistics results. Therefore he is the only statistician for the premier. But he has done it behind my back, said Soucek.

A recent mission of the European Community statistics institution Eurostat considered weird a central statistical officer's attendance at the government meetings to inform them, or to try provide an explanation, he stated. According to Eurostat the government should have their own specialists.

The Chamber appoints or dismisses the CSU chairman on the government's proposal.

The government did not formally discuss a change in the CSU leadership. However, it has not been satisfied with the quality of Soucek's work for a certain time, Klaus told CTK.

It is impossible for the government to consider changes in the leadership of the state administration based on political discussion and not professional capabilities and results, he added.

The Christian Democratic Party (KDS) is known to aspire to get two non-governmental posts and only recently KDS Chairman Vaclav Benda gave up his aspiration to get the CSU post.

[Prague HOSPODARSKE NOVINY in Czech on 7 April on page 2 carries the following CTK report on Prime Minister Klaus' reaction to the resignation of the CSU director: "According to Prime Minister Vaclav Klaus, for quite some time now the Czech Government has not been 'fully satisfied' with the CSU's activity. Klaus said yesterday that after November 1989 the CSU has not mastered its transformation and 'has not managed to adapt to the new conditions and the needs of the country.' He ruled out the possibility of the cabinet or the prime minister having contemplated changes in the CSU management on the basis of political considerations rather than on the basis of analyzing the professional qualities and the work results of CSU Chairman Eduard Soucek. Prime Minister Klaus regards as absurd the claim that someone wanted the CSU to become dependent on state power. 'No one has ever asked the CSU director to change figures, as may have been the case prior to November 1989,' Vaclav Klaus stressed, adding that the CSU was only asked to supply quality and timely information, which is 'immensely important for the government and the public.'"]

Testimony at Trial of Former Finance Ministers

AU0804130893 Prague CTK in English 1340 GMT 6 Apr 93

[Text] Prague April 6 (CTK)—During a trial against former Czechoslovak Finance Ministers Leopold Ler and Jaromir Zak, it came out that the Communist Party of Czechoslovakia (KSC) assisted considerably in supporting the global communist movement from 1966.

The French and Italian Communist Parties annually got millions of USD from Moscow, Antonin Faltynek, a witness in the trial, said today. Faltynek, who headed the KSC Central Committee's (UV KSC) economic administration in 1948-68, said that in 1966-67, the KSC had earmarked annually the amount of 250,000 USD, in one case maybe 350,000 USD, in aid to the communist movement throughout the world. Faltynek himself once drove a suitcase, containing probably dollars, to Soviet Communist Party Central Committee's (UV KSSS) Secretary Boris Ponomariev to Moscow. The major portion of the financial subsidies was earmarked to support the communist parties in France and Italy and the KSSS demanded the KSC to raise its share in the aid's total, Faltynek said.

Faltynek quoted an informal dialogue, which he had heard off at the 1967 conference of European communist and labor parties, held in Karlovy Vary, West Bohemia: Ponomariev then told the UV KSC First Secretary Antonin Novotny that the KSSS will not cope with it any more and that the KSC had to increase its contributions. Yuri Andropov and Leonid Brezhnev were also present, Faltynek said. But he (Brezhnev) was completely drunken at the moment, he told CTK in a break during the trial.

Each Ler and Zak held the post of Czechoslovak finance minister in 1973-85 and 85-88 respectively. In February 1992, they have been charged with illegally funneling hard currency abroad since 1976. Faltynek's evidences will enable the court to consider whether or not the previous international financial support by the KSC had been compatible with the law.

If the court finds Ler and Zak guilty with the offenses of both abuse of power of a public official and threatening of the state hard currency economy, they can be given from three to seven years in prison.

Another witness who spoke before the trial today was Milous Jakes, former UV KSC secretary general, who told CTK that former finance ministers were authorized to earmark hard currency subsidies to support the communist parties abroad. Therefore Jakes considers neither Ler nor Zak guilty.

Jakes told the court that he had been aware of the financial aid being sent abroad but he never decided of its forms. Jakes still believes that it is proper to support the international workers' and communist movement.

Jakes registered some cases of such an aid several times. The KSC, for example, bought copying equipment for its brother parties and paid flight tickets for their officials, visiting Czechoslovakia. However, Jakes knew nothing about the Moscow fund, also supplied by the Communist Party Of Czechoslovakia.

Omnipol Arms Business Declines

AU0804063293 Prague LIDOVE NOVINY in Czech 2 Apr 93 p 2

[CTK report: "Omnipol's Difficulties"]

[Text] Prague—Omnipol, former monopoly exporter and importer of arms and military technology, has become oriented toward the civilian sphere. Trade in military material is declining and is expected to represent some 20 percent of its business, Omnipol's director general, S. Kozeny, said. Last year, trade in military technology represented some 50 percent of its business—mainly in spare parts. Currently, the principal activity of Omnipol is leasing passenger cars, technological equipment, buildings, and other units. The firm also owns two hotels. Kozeny stressed that the increase in civilian activity cannot compensate for the decline in arms deals, and turnover is declining.

Kovac Reportedly Rejects Meciar Candidate

AU0904094393 Bratislava NARODNA OBRODA in Slovak 7 Apr 93 p 2

[TA SR report: "Michal Kovac Did Not Approve Lexa; Question of the Slovak Information Service 'Chief' Remains Open"]

[Text] Bratislava—The TA SR has learned from circles close to the Presidential Office that President Michal Kovac rejected Prime Minister Meciar's proposal to appoint Ivan Lexa, the present head of the Slovak Government Office, to the post of director of the Slovak Information Service. According to the source, which does not wish to be named, the president did not state a reason for his disagreement. The name of a new candidate for the post is not yet known.

Former HZDS Deputies Form New Club

AU0904091893 Bratislava NARODNA OBRODA in Slovak 7 Apr 93 p 13

["no"-signed report: "Knazko's Followers in Their Own Fold; Independent Club of Deputies Set Up in the National Council of the Slovak Republic"]

[Excerpt] Bratislava— The editorial office yesterday received a communique signed by eight deputies of the National Council of the Slovak Republic who decided to leave the Movement for a Democratic Slovakia [HZDS] parliamentary caucus because they want to become independent deputies and do not want to operate as a destabilizing and confrontational factor within that club. At the same time these deputies established their own parliamentary caucus. Milan Knazko became its chairman; its members are Eva Bartosova, Viera Danielova, Igor Gazdik, Pavol Homola, Igor Korbela, Milada Ondrejovicova, and Igor Pribula. [passage omitted]

Hungarian Relations Improved Since Agreement

LD0804224693 Prague CTK in English 1554 GMT 8 Apr 93

[Text] Bratislava April 8 (CTK)—Relations between Slovakia and Hungary have calmed down after the two states formally agreed on April 7 to present their dispute over the Gabcikovo-Nagymaros hydroelectric dam project to the International Court of Justice in The Hague, said an official at the Slovak Ministry of Foreign Affairs today.

It was an important political step, Slovak State Secretary Jan Lisuch said, and the right sort of signal to the European Community (EC) with respect to the preparation of an association agreement between the EC and the Slovak Republic.

The agreement requires that both countries monitor the dam's completion on their side of the border with April 16 as a deadline for sharing the results, Lisuch noted.

A meeting of experts from the two countries scheduled for the following week might also set guidelines for controlling water flow in the Danube, said Peter Vrsansky, director of the Department for International Law at the Slovak Ministry of Foreign Affairs.

The agreement will first have to be ratified by the two countries' parliaments and only afterwards would its wording be published, he said.

Bratislava estimates that the International Court of Justice in The Hague may take three to four years to make a final ruling on the Gabcikovo-Nagymaros dispute.

Foreign Currency Reserves Drop After Independence

LD0804195593 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1300 GMT 8 Apr 93

[Text] Foreign currency reserves of the Slovak Republic have recently dropped to $20-25 million. When independent Slovakia came into being at the beginning of this year, they stood at $324 million. Economics Minister Jaroslav Kubecka said this at a news conference in Bratislava today. According to him, the sectors that use up most of the convertible currency are those that do not create them. These are mainly organizations that sell consumer goods from abroad. Jaroslav Kubecka stressed that the National Bank of Slovakia will have to introduce very strict regulations for granting foreign currency.

New World Bank Loans Not Expected

AU0804130493 Prague CTK in English 2102 GMT 6 Apr 93

[Text] Bratislava April 6 (CTK)—Slovakia cannot expect many more loans from the World Bank in the near future, World Bank Executive Chairman Bernard Snoy told journalists today after meeting here with Slovak President Michal Kovac.

A World Bank economic delegation is set to arrive in the Slovak capital April 19 for a month, during which it will draft reports on industrial enterprises which have not yet been privatized. The delegation is also expected to look at modernizing the republic's banking system and social welfare.

German Defense Minister Ruehe on Bosnia

LD0604195293 Budapest MTV Television Network in Hungarian 1800 GMT 6 Apr 93

[Interview with German Defense Minister Volker Ruehe by "Newsreel" program reporter in Budapest on 6 April; Ruehe speaks in German with superimposed Hungarian translation—recorded]

[Text] [Ruehe] As far as Germany is concerned, we could only offer humanitarian aid to Bosnia. We did this despite the serious dangers. Our planes flew toward eastern Bosnia every night. But this is rather a question for international public opinion: How long will it still put up with the Serb aggression, and what means will it use to curb the Serbs? Although the enforcement of the Bosnian no-fly zone is an important step, it will certainly not be enough.

[Unidentified reporter] On this we agree, but knowing your determined political concept, what do you think personally: Why did the international community not take a more effective stand?

[Ruehe] It has to be seen that at the outset of the conflict, when it could still have been stifled, we were not able to agree, for example even at the West European level, what stand we should take regarding the Serbs, and this later took its harsh revenge. But the most important thing now is to clearly signal to the Serbs: We will not turn a blind eye to their policy of ethnic cleansing. We will not tolerate the widening of the conflict. But the situation is very critical.

Tension With Slovakia Eased Over Dam Issue

LD0704232993 Budapest MTI in English 1855 GMT 7 Apr 93

[Text] Brussels, April 7 (MTI)—One of the most significant efforts of Hungarian diplomacy has been accomplished by the signing of the declaration that recognizes as compulsory the jurisdiction of the International Court of Justice in The Hague. This has also significantly eased the political tension that had come about following the diversion of the Danube in October, Hungarian Foreign Affairs Secretary of State Janos Martonyi told journalists in Brussels on Wednesday.

Martonyi was speaking after having signed the document in which Hungary and Slovakia jointly ask the International Court to make a decision in their debate over the Danube barrage. In the document, the two countries have also agreed to consider the court's eventual decision as binding.

Martonyi said there is still another problem to be solved, to create a provisional water management system that fully places ecological considerations.

As regards this, Martonyi confirmed that Hungary invariably considers as valid the agreement reached in London last October, which the Slovak side did not at any time observe in practice.

The Hungarian side is ready to accept the latest compromise proposal of the European Community's commission, made this February. Under this, water would be divided, on a yearly average, in a two-thirds, one-third proportion between the old and the new beds of the Danube.

According to Martonyi, this would make it possible to ensure water supply in Hungarian areas in quantities that, while meeting the ecological considerations, would still leave sufficient water amounts for the Slovak side to operate the hydroelectric power plant with and generate sufficient amounts of energy.

Martonyi also said it is an erroneous approach to speak about the division of the Danube's water between Hungary and Slovakia. The issue, in effect, is to divide the water between the canal serving the power plant and the Danube bed, he stressed.

Parliaments of the two countries must still ratify the declaration signed now, and only afterwards can the sides turn to the Hague court. Regarding ratification, Martonyi said this issue will enjoy priority in Hungary, and may be carried out within a few weeks.

Goncz Praises Accord on Gabcikovo Dispute

LD0804201393 Budapest MTI in English 1340 GMT 8 Apr 93

[Text] Budapest, April 8 (MTI)—Hungary wants to maintain good-neighbour relations with Slovakia. There is no alternative to cooperation between the two countries, Hungarian President Arpad Goncz told a Slovak National Council delegation today in Budapest. Hungary's endeavours for integration into Europe meant it wanted to see easy access across all frontiers in the region, Goncz said.

On the Gabcikovo [Dam] issue, Goncz said it was a major achievement that Hungary and Slovakia yesterday signed a declaration accepting the jurisdiction of the International Court of Justice. However, the two countries could have saved money and concentrated energies on settling other issues if they had reached this agreement earlier, he said.

Ivan Gasparovic, president of the Slovak National Council, said the Wednesday agreement helped ease tensions between the two countries and offered a model for settlement of disputes in the future. On the issue of national minorities, Goncz said that easing historical tensions was of the utmost importance. Instead of looking backwards, to the past, we should concentrate on tackling current issues, he said.

It was natural, Goncz said, that governments accept minorities as an integral part of the state and that

minorities see themselves also as part of their mother nation. Also, minorities needed help to preserve their identities and cultures.

Gasparovic talked of a governments' duty to help a minority preserve its culture and language, as well as lead its own social and political life. Meanwhile, there was agreement on the need to expand commercial and economic ties, as the present low level of business relations ran counter to interests of both countries.

Fur Views Contacts With Neighboring Countries

AU0804122793 Budapest UJ MAGYARORSZAG in Hungarian 5 Apr 93 p 5

[Report by Italy: "The Defense Ministry Hopes for More Funds"]

[Text] Defense Minister Lajos Fur participated in a political forum held in Hatvan over the weekend [3-4 April].

This ministerial meeting took place on a historical anniversary because in the 1849 revolution, the Hungarian Army fought one of the victorious battles near Hatvan on 2 April 1849. However, the local population was more interested in the fate of the Nagygombos Barracks that are in the jurisdiction of this town. The people here have already written a letter to get the precious building that has been empty for three years. The defense minister pointed out that it was impossible to hand the buildings over to the city because according to the budget stipulations, the army has to get 3 billion forints from selling real estate and other services to the population.

"Unfortunately, we cannot talk about any handing over free of charge; at most, we can talk about some discounts"—the minister concluded.

Asked about the size of our army, Lajos Fur said that we spend slightly more than 5 percent of the country's budget, or 62.5 billion forints, on defending Hungary. The German defense minister who is due to arrive today can be more satisfied because this rate is 11-12 percent in Germany. If we consider the cost of maintaining an army per capita of population, the amount varies between $200-400 in the developed countries in Europe. In Hungary, this sum is slightly more than $60, but Greece, a country that is in a similar economic situation, spends three times as much for this purpose. Lajos Fur also brought up the example of Denmark:

"Denmark spends four times as much for its 40,000 troops, compared with our expenditure for our 100,000 troops."

The fact that the redeployment of troops costs a lot because of the disproportional deployment of our army in the country further contributes to the general lack of funds. As is well known, in accordance with the strategy of the Soviets at the time, two-thirds of our army was deployed in the Dunantul region, while the Alfold region remained virtually defenseless. Therefore, the first district defense brigade was set up in Szabolcs county in autumn 1992, in charge of defending the county's towns and villages with light weapons in case of a possible armed aggression. The setting up of such district defense brigades in the 12 or 13 counties along our borders will continue this year too but, unfortunately, we do not have enough money to finish the whole program within one or two years. Even if slower, we still have to continue this redeployment, because the reduction in the army personnel and the supply of modern military technology would be much more expensive, albeit more desirable too.

In connection with our relations with neighboring countries, our defense minister said that we have good relations with the Romanian Army, and the new Slovak defense minister, who was also the last CSFR defense minister, is due to come for a visit to Budapest in mid-April. We also have good relations with the leadership of the Ukrainian Army, just like with the Russians who accepted the bilateral military cooperation signed two days before the collapse of the Soviet Union. Defense Minister Grachev accompanied President Yeltsin during his visit in Budapest in 1992 and Lajos Fur will pay an official visit to Moscow in October. There is also need for good relations because almost 90 percent of the Hungarian military technology is of Russian origin and we must start from the realities if we want to get spare parts or even fuel.

Embargo on EC Meat Imports Takes Effect

LD0904094693 Budapest MTI in English 0905 GMT 9 Apr 93

[Text] Budapest, April 9 (MTI)—The Hungarian Government embargo on meat, milk, and dairy imports from the European Community and Austria came into force at midnight on Thursday, an official of the national command of the customs and revenue office told MTI.

The national command instructed all customs offices to take measures required for watertight observance of the ban and prevent the import of embargoed goods under any circumstances.

By this morning, no consignments containing goods falling under the Hungarian embargo have appeared at border crossings. Nor has any Hungarian supplier tried to take commodities falling under the EC embargo out to Austria, the official said.

Skubiszewski, Iranian Official Hold Talks

LD0804194093 Warsaw Third Program Radio Network in Polish 1300 GMT 8 Apr 93

[Text] The possibility of Poland increasing imports of Iranian crude oil was the main topic of a meeting today between Iranian Majles Speaker Ahmad Nateq-Nuri and Foreign Affairs Minister Krzysztof Skubiszewski. During the course of the talks other questions associated with Polish-Iranian cooperation were also raised.

The Iranian delegation was received earlier at the Belvedere Palace. President Lech Walesa said, among other things, that Poles are also believers. Although our faith is different from Iranian Islam, the values are nonetheless comparable and serve man.

Poland Offers Shipbuilding Help

LD0804112193 Tehran IRNA in English 0751 GMT 8 Apr 93

[Text] Warsaw, April 8, Irna—Poland has agreed to offer help to the Islamic Republic of Iran in the area of ship building, machinery and transfer of technology and naval transport.

In a meeting here Wednesday between heads of Iran-Poland joint commission for economic, technical and trade cooperation Polish head of the commission Andrezj Arendarski said his country would also offer indoctrination courses to Iranians in the required areas.

The two sides also agreed to meet in Warsaw next November for the fifth assembly of the joint commission. The fourth joint commission was held in Tehran last year.

The heads of the commission also agreed that Poland's deputy minister of foreign trade visit Tehran next month within the context of the previous agreements between the two countries.

The commerce minister is part of the delegation led by speaker of the Majlis (parliament) Hojjat ol-Eslam 'Ali Akbar Nateq-Nuri.

The value of yearly trade exchanges between Iran and Poland now stands at about dlrs 500 million.

Iran, Poland Urge End to War

LD0804155793 Tehran IRNA in English 1533 GMT 8 Apr 93

[Text] Warsaw, April 8, IRNA—Iranian Majlis speaker Hojat ol-Eslam 'Ali Akbar Nateq-Nuri discussed major global developments in the second round of his talks with his Polish counterpart Wieslaw Chrzanowski here today.

The two sides also reviewed bilateral industrial and trade cooperation and called for technology transfer particularly in the area of shipbuilding industries.

They stressed the need for exerting further pressure on international organizations with the aim to put an end to the war in Bosnia-Herzegovina.

Chrzanowski said his government believes that further efforts should be carried out under the auspices of the U.N. towards ending the bloodshed in Bosnia. The tragic situation in which Muslims are killed must be ended before anything else, he added.

In a separate meeting also held today, Polish Foreign Minister Krzysztof Skubiszewski briefed the Majlis speaker on the latest developments in Poland and Europe.

"We have always been worried that Serbs might partition Bosnia, but fortunately they haven't succeeded," Skubiszewski said adding that Warsaw supports the Bosnian inclusion in the Central Europe regional cooperation organizations and establishment of a no-fly zone in Bosnia.

Nateq-Nuri in reply termed Tehran-Warsaw relations as "good" and predicted a bright prospect for the future relations between the two countries.

Walesa Receives Delegation

LD0804205093 Warsaw PAP in English 2023 GMT 8 Apr 93

[Text] Warsaw, April 8—President Lech Walesa on Thursday received the delegation of the Consultative Assembly of the Islamic Republic of Iran headed by the assembly speaker 'Ali Akbar Nateq-Nuri. Both sides strongly accentuated the need for boosting cooperation between Poland and Iran. Evaluating the course of Polish reforms, President Walesa pointed out to the difficulties in reconciling economic transformations with changes in consciousness, emphasizing certain similarities in the role of spiritual sphere in social life of Poland and Iran, the president stressed the difference between the capitalist system prevailing in Western Europe and a political system which Poland intends to build. "Moral and spiritual values should find their place in it," the president added.

The president and his Iranian guests also discussed issues related to world and European security, new developments in post-communist countries and former Yugoslavia, matters that were also touched upon at a meeting with Prime Minister Hanna Suchocka. The talks with Hanna Suchocka focused on the possibilities of boosting economic cooperation, as the Iranian guests declared their country's willingness to expand economic cooperation with Poland. "We want our firms to export their products to Iran for this country is an absorptive market for Polish industrial products," Hanna Suchocka said.

During a meeting with Foreign Minister Krzysztof Skubiszewski, the head of the Iranian delegation declared that Iran is willing to increase crude oil deliveries to Poland. Polish-Iranian trade exchange currently

totals 0.5 billion dollars. "Poland is very keen on expanding economic contacts with Iran and the political climate for this purpose has just been created," director of the Foreign Ministry Department of Africa, Asia and Australia Jerzy Pomianowski said, adding that Iran is the second, after Russia, supplier of crude oil to Poland.

He added that issues related to Poland's participation in the construction of a pipe-line which would provide European countries with Iranian oil were also discussed.

Commenting upon the talks, 'Ali Akbar Nateq-Nuri told reporters that he invited Prime Minister Hanna Suchocka to visit Iran and that a Polish economic delegation, including high state officials, is expected in Iran at the end of April.

Agriculture Minister Janowski Resigns

LD0904085193 Warsaw PAP in English 0815 GMT 9 Apr 93

[Text] Warsaw, April 9—Prime Minister Hanna Suchocka on Thursday night accepted the resignation of Gabriel Janowski from the post of agriculture minister. She also dismissed two deputy ministers of agriculture Piotr Dabrowski and Jerzy Rey, prime minister's press secretary Zdobyslaw Milewski announced.

According to a communique released by the government press office, the decision reflected the prime minister's evaluation of the ministry's work and Janowski's resignation only sped up changes at the ministry.

Following talks with the authorities of the Peasant Alliance (PL) parliamentary floor group, the prime minister appointed to date Deputy Minister of Agriculture Janusz Bylinski to temporarily head the ministry. It was agreed that consultations on the appointment of the agriculture minister will be held shortly.

Janowski, chairman of PL, tendered his resignation on Thursday evening, having earlier criticized the government's decision concerning minimum intervention prices for grain.

Following Janowski's resignation, there were opinions among the coalition politicians that the intervention prices were only a pretext for his resignation. It is said unofficially that Janowski was blamed for irregularities in the operation of the agriculture restructuring and debt relief fund and the ministry's backlogs in preparing government-proposed legislation.

Government Protests Against EC Livestock Ban

LD0804191993 Warsaw PAP in English 1727 GMT 8 Apr 93

[Text] Warsaw, Brussels, April 8—The Polish Government on Thursday issued a strong protest at a European Community (EC) decision to impose a month-long ban on the import to EC countries of Polish livestock, meat, and unpasteurised dairy produce.

The ban was imposed on Wednesday night on the recommendation of the veterinary committee of the EC commission, following an increase in cases of foot-and-mouth disease in livestock imported from eastern Europe. It applies to cattle, sheep, pigs and goats, and derivative products.

In Warsaw on Thursday, Deputy Agriculture Minister Janusz Bylinski described the ban as unjustified. He said that the Polish Agriculture Ministry had received no notification of the ban from the EC Veterinary Committee, and was still awaiting clarification from the EC representative in Warsaw.

Jozef Maleszewski, director of the Veterinary Department at the Agriculture Ministry, told reporters that Poland had been free of foot-and-mouth disease for 21 years. He also noted that EC livestock controllers, who had visited Poland in March, had expressed no reservations concerning the health of Polish livestock.

In Brussels, the Polish representative to the EC delivered a protest note to the EC commission, stressing that Poland is free of foot-and-mouth disease, a fact confirmed officially in 1992 by United States officials. The note also points out that Poland has never conducted an animal inoculation campaign against the disease, and does not import livestock from countries where such inoculations are commonplace. The possibility of infection through inoculation can therefore be ruled out.

The Polish side also claims that the ban on livestock importation violates the Polish-EC Free Trade Agreement, which obliges consultation on all decisions which might affect trade interests of either side.

Similar protests against the ban have been lodged by other countries in central and eastern Europe.

The EC ban follows numerous reported cases of foot-and-mouth disease, particularly in Italy, in livestock imported from Croatia. Experts believe that the ban, even if only temporary, could seriously affect Polish exports of beef fat-stock and calves. The business is seasonal in character, and its peak falls in the spring.

Walesa Discusses Military, Economic Reforms

WS0804132993 Warsaw SERWIS INFORMACYJNY PREZYDENTA in Polish 1645 GMT 7 Apr 93

["Interview with the President of the Republic of Poland"—SERWIS INFORMACYJNY headline"]

[Text] Lech Walesa, president of the Republic of Poland, gave an interview to the Main Office of Military Programs of the Polish Television and the Polish Radio.

Asked about quarrels about the power distribution among military authorities, the president expressed the opinion that the authority should be divided into three parts: commander in chief of the armed forces and the National Security Office [BBN]; the Ministry of National Defense, as a civil political management; and

the General Staff, managed by military officers. Wise planning requires that the Army be prepared for less favorable variants of the development of the situation in Europe, for both external and internal threats. The president believes that as long as Europe is still a dangerous place, we all need the North Atlantic Treaty Organization.

Asked about his evaluation of the Army, President Walesa defined it as that structure in the state that is best organized and most advanced in reforms. He emphasized his emotional ties to the Army; he has served in the Army himself, and now has two sons there.

In an interview for the ARTE French Television, the president of the Republic of Poland spoke about the costs of a political system transformation:

"There is a period of slowing down and shifting direction. Those who do not understand this are angry, asking why we are slowing down and why we are stopping. While we are stopping the system, we must shut down many factories, because they were based on a different philosophy. We must build new ones, but we must also have the money. A changing of the system entails certain costs".

Speaking about Western aid to Russia, President Walesa expressed the opinion that it should get to Russia through the Visegrad Group countries—Ukraine, Belarus, Lithuania, Latvia, and Estonia [as published]. The departure of the satellite countries from Russia has left the country with very serious economic problems. However, a return to communism in our part of Europe is no longer possible.

Defense Minister Interviewed on NATO Meeting

AU0704110793 Warsaw TRYBUNA in Polish 31 Mar 93 p 1

[Interview with Defense Minister Janusz Onyszkiewicz by unidentified reporter; place and date not given: "Closer to NATO"]

[Text] Principles for the conduct of peacekeeping operations were sketched out at the second meeting of the North Atlantic Cooperation Council (the members of NATO plus those states that belonged to the Warsaw Pact).

Does the fact that the declaration adopted at the meeting stresses the principle that such operations can only be conducted through the United Nations or the CSCE stem from the recent Russian statement that it has a mandate for the CIS in this regard? TRYBUNA put that question to Minister of National Defense Janusz Onyszkiewicz following his return from Brussels.

[Onyszkiewicz] No, it is more of a warning.

[TRYBUNA] During the council session or bilateral talks did any concepts take shape for changing the idea of NATO and its functions under new international conditions?

[Onyszkiewicz] NATO regards peacekeeping operations as a basic element in its activities and that already shows that the pact is worth maintaining. That is not, of course, the only element.

[TRYBUNA] What about the question of expanding NATO, especially to include the Visegrad group [Czech Republic, Slovakia, Hungary, Poland]?

[Onyszkiewicz] No one has called our future membership into question. That was recently stated most clearly by Turkey. The Americans have said that NATO should be expanded for the first time. Our participation in peacekeeping operations is of fundamental importance for bringing military integration closer.

[TRYBUNA] During the talks, were no fears voiced about Poland's—or more broadly the Visegrad group's—entry into NATO in view of the fact that our eastern neighbors will remain outside the pact?

[Onyszkiewicz] No, because we all realize that the group's entry into NATO is a logical or even inevitable consequence of joining the EEC.

At a news conference Minister Onyszkiewicz described the results of the council meeting and of his bilateral talks. He also reported that matters relating to the financing of peacekeeping operations had been discussed. Formally, the United Nations is to cover such costs, but so far, in the case of former Yugoslavia, almost all the costs are being borne by the Ministry of National Defense. Saudi Arabia still has to settle bills for our participation in Desert Storm.

Laws Approved on Import Tax, State Secrets

LD0804092793 Warsaw PAP in English 2106 GMT 7 Apr 93

[Text] Warsaw, April 7—The Council of Ministers meeting on Wednesday approved two out of six draft laws included in the pact on state enterprise.

Andrzej Baczkowski, the deputy labour minister said that the remaining laws and 22 regulations received government's preliminary approval. He added that the decision on sending all pact related draft laws to parliament will be made by the government in April.

The Council of Ministers also accepted a draft law on import tax which would replace the present six per cent additional sales tax paid for imported goods. The tax, if approved by parliament, is to be introduced in the middle of this year and would be in force until the end of 1994.

Deputy Finance Minister Witold Modzelewski said that the new tax would not introduce any new tax burdens. He added that the tax would be paid by all importers.

During today's meeting, the government also approved a draft law on the protection of state and public service secrets. The draft law lists types of information which would be embraced by the law.

Melescanu, U.K.'s Hamilton Discuss Yugoslav Conflict

AU0704182493 Bucharest Radio Romania Network in Romanian 1000 GMT 7 Apr 93

[Text] Talks were held this morning at the headquarters of the Ministry of Foreign Affairs between Romania's diplomacy chief, Mr. Teodor Melescanu, and the minister of defense of Great Britain [title as heard], Mr. Archie Hamilton.

As Melescanu specified, today's talks are a continuation of the dialogue that began in London. During the talks, the two sides displayed special interest in the Yugoslav crisis. The British guest assessed that a direct armed intervention in the conflict area would be a very risky move with unforeseeable consequences even for the future of certain international bodies, which would be involved in the conflict.

As our reporter accredited to the Ministry of Foreign Affairs, Doina Saiciuc, informed us, the Romanian foreign minister expressed appreciation for Great Britain's direct contribution to the assistance mission decided by the WEU in connection with the application of the Danube embargo against the Yugoslav Federation.

Answering a question from our reporter Dana Costea, Mr. Archie Hamilton said that the talks had focused on the UN decision regarding Bosnia, on whether the Vance-Owen peace plan would be signed by all sides and on what the world organization will undertake to ensure that the plan is implemented.

The discussions also tackled the developments in the situation in Russia, which is of great importance for Romania, the British guest emphasized.

The meeting, which Mr. Archie Hamilton, state secretary in the British Ministry of Defense [title as heard], held with students of the Defense College and with its first graduates, ended a short time ago, our reporter Nicu Popescu informed us.

On behalf of the Ministry of National Defense, the meeting was attended by State Secretary Ioan Mircea Pascu.

The ambassador of Great Britain in Bucharest, Mr. Andrew Philip Foley Bache, was also present.

In a short speech, the British dignitary presented aspects of the relations between the Ministry of Defense of Great Britain and the British Parliament.

Concluding the meeting, Mr. Archie Hamilton answered questions asked by the audience.

Vacaroiu Meets Delegates of County Councils

AU0604195993 Bucharest ROMPRES in English 1430 GMT 6 Apr 93

[Text] Bucharest, ROMPRES, 6/4/1993—Prime Minister Vacaroiu received Tuesday, April 6, a delegation of Romania's Association of the Presidents of County Councils.

The delegates asked the premier assistance by government bodies in dealing with a number of difficult economic, social and cultural problems county councils have been faced with.

Premier Vacaroiu opined that the association was very useful. He mentioned that the concept of local autonomy in public administration, very important in a real democracy, should be clearly explained.

Government Welcomes WEU Support for Embargo

AU0704132493 Bucharest ROMPRES in English 1139 GMT 7 Apr 93

[Text] Bucharest ROMPRES 7/4/1993—Romania's Government has taken notice with interest of the decision made by the WEU Council to back the efforts of the Danubian countries—Yugoslavia's neighbours—to apply the resolutions of the Security Council regarding the embargo, measures in concord with demands made by these countries to be granted international assistance.

The Romanian Government issued a declaration Wednesday, April 7, expressing its agreement with the WEU initiative and its willingness to conduct talks on practical matters. The Romanian executive also shows that it is resolute to apply in good faith the restrictions and the embargo established by the UN Security Council against Yugoslavia (Serbia and Montenegro), which has to be seen out of the context of Romania's bilateral links with Yugoslavia.

Romania's Government hopes that any progress made in the political settlement of the conflict in former Yugoslavia, in particular the acceptance of the Vance-Owen peace plan by all the communities in Bosnia and Herzegovina could open the way to the lifting of the embargo on Yugoslavia, reads the declaration.

FSN, PD Move Toward Merger

AU0904072993 Bucharest ROMPRES in English 1539 GMT 8 Apr 93

[Text] Bucharest ROMPRES 8/4/1993—The weekly press conference of the National Salvation Front [FSN] was told that "a fusion of the FSN and the Democratic Party, PD, was in view." Leaders of the two parties, present at the conference, spoke about that intention and ensuing projects. "It is essential for Romania to democratize its institutions, and the union of the two parties will be achieved bearing that in mind," said FSN leader, Petre Roman.

Constantin Visinescu, PD chairman, said that the platforms of the PD and the FSN were alike. "In our attempt to gather centre political forces in order to put the bases of a democratic movement in Romania, we have also trusted the experience and authority of a party born in the revolution, a more experienced, parliamentary party.

Petre Roman said that the party to result from the fusion would be probably called the Democratic Party.

Protocol on Assistance of German Ethnics Signed

AU0804060993 Bucharest ROMPRES in English 1420 GMT 7 Apr 93

[Text] Bucharest, ROMPRES, 7/4/1993—At the close of the 2nd session of the Romanian-German Governmental Commission for German Ethnics Living in Romania, the heads of the two delegations, Ion Gorita, secretary of state in the Romanian Foreign Ministry, and Franz Kroppenstedt, secretary of state in the Federal Ministry of the Interior, signed a protocol, Wednesday, April 7.

The document includes both the general framework of cooperation and the concrete projects for 1993, that are going to be put in place jointly with financial support from the German government totalling more than 17 million marks. Actions are in view to supply hospitals in Sibiu and Cluj with substances for perfusions, to continue the construction of homes for the elderly at Sibiu and Timisoara, to renovate the Honterus school building of Brasov, to encourage small and middle-scale businesses.

Defense Industry Trade Union Plans Strike

AU0804111293 Bucharest REALITATEA ROMANEASCA in Romanian 2 Apr 93 p 2

[Article by Gabriel Luca: "Where Is the Defense Industry Heading?"]

[Text] During discussions held with Mr. Bordeanu, the leader of "Avram Iancu" trade union confederation in the defense industry, it became evident that this industrial branch is confronting great difficulties. Mr. Bordeanu said that "decision makers have expressed the wish to get involved in the work of finding solutions to the problems in the defense industry, however, so far...." The confederation began its activity after the merging of the "Unirea" and "Carpati" federations within the same branch of the defense industry. The confederation turned with its problems to competent bodies such as the Ministry of National Defense, the Government, and the Ministry of Industry. The government did not show any understanding, the Ministry of Industry approached the issue in a completely inadequate fashion, and various persons who were invited to participate in the talks did not show up to the meeting. Taking all these facts into consideration, the "Avram Iancu" confederation expresses solidarity with actions of retaliation planned by the other trade union confederations, namely that a work conflict will be initiated, if, by 21 April 1993, the following claims are not met:

— starting with 1 April 1993, the confederation should participate in the joint government-trade union commission's discussions;
—in the 1-5 April 1993 period a meeting with trade union leaders in enterprises should be organized and the respective meeting should be attended by the industry, finance, defense, labor and social protection ministers.
—as a result of discussions to be held during the aforementioned meeting, a meeting with Mr. Vacaroiu should be organized in order to work out the necessary measures that have to be taken;
—a meeting should be organized with Mr. Iliescu, in his capacity as president of the Higher Defense Council;

The defense industry will receive a setback from the disappearance on 30 September of the law on technical unemployment [personnel laid off temporarily because of lack of work] because it is very difficult to change the profile of the enterprise. During discussions with Mr. Bordeanu, issues of employees' social problems were also approached. Taking into consideration the isolated areas where those enterprises carry out their activity, a possible halt in production would lead to the disappearance of the settlement. The salaries of employees in this branch are below the average salary registered in the economy.

Study Finds Situation of Gypsies 'Desperate'

AU0804061393 Bucharest ROMPRES in English 1606 GMT 7 Apr 93

[Text] Bucharest ROMPRES, 7/4/1993—"The situation of the greater part of the Romanies is desperate, and at present the worst problem is that of their children, who live in dire poverty" said Professor Elena Zamfir, Ph.D, member of the team of professors and research workers at the Bucharest Faculty of Sociology, Psychology, Pedagogy and Social Sciences who made an ample study of the social-economic dimensions of the Romany community starting from a representative sample of 1,804 families counting about 12,000 persons.

The study presents and substantiates statistically the family life, school attendance, inhabitance conditions, health, professions and revenue sources of the Gypsies.

The data on school attendance of children up to the age of ten is revealing. Thus only 51.3 percent of the Gypsy children attend school regularly. The data on professional training of the adults shows that 79.4 percent have none, 3.9 percent are trained in traditional professions and only 16.1 percent have modern professions. As for the Gypsies holding jobs, the situation is: 45.2 percent have no job, and only 22.1 percent are employed.

UN Spokesman Says Ammunition Found on UNPROFOR Truck

AU0804174093 Paris AFP in English 1736 GMT 8 Apr 93

[Text] Sarajevo, April 8 (AFP)—Serb troops checking an aid convoy for a Moslem-held Sarajevo suburb Thursday [8 April] found thousands of rounds of ammunition hidden aboard a U.N. truck, U.N. spokesman Barry Frewer said.

The aid had been loaded at Sarajevo airport, and Frewer said a check there turned up further ammunition, and explosives. The U.N. Protection Force (UNPROFOR) has launched an investigation, he added.

The ammunition was wedged between containers and the beds that they sit on. Both containers and beds are winched on and off trucks.

The UNPROFOR truck on which the ammunition was found was part of a U.N. High Commissioner for Refugees convoy bound for Butmir, an isolated Bosnian government-held suburb.

Convoys going to Butmir pass through the Serb-held Sarajevo suburb of Ilidza, where they are searched.

Commander Frewer said the Serbs found 18,720 rounds of 7.9mm ammunition, used by snipers, and 3,840 rounds of 12.7mm ammunition, used in flat-fired anti-aircraft guns.

The Serbs confiscated the 24 boxes of 7.9mm ammunition and 24 boxes of 12.7mm ammunition, he said.

At the airport, Frewer said, a search turned up 24 sacks of gunpowder, 750 rounds of 7.9mm ammunition, 7,500 rounds of 12.7mm ammunition and 500 rounds of 7.62mm ammunition, used in Kalashnikov assault rifles.

They were hidden under two containers, he said.

Frewer said relief supplies from planes were loaded into containers at the airport which were already standing on their beds.

The empty containers were returned to the airport for further use after distribution of the aid, and periods in warehouses around Sarajevo and its outlying suburbs, he said.

This meant the ammunition and explosives were put under the container on the ground, he said.

Four More Crates Discovered

LD0904020193 Belgrade TANJUG in English 2308 GMT 8 Apr 93

[Text] Belgrade, Apr 8 (TANJUG)—Bosnian Serb forces found 44 crates of ammunition in a lorry during a routine search near Sarajevo's airport of a convoy which was transporting humanitarian aid to Moslems in Sarajevo's suburb of Butmir on Thursday [8 april], foreign agencies reported quoting United Nations (U.N.) officials.

The U.N. officials said that they later conducted their own search at the airport and discovered four more crates of ammunition wedged between containers of flour, U.N. High Commissioner for Refugees (UNHCR) Spokeswoman Sylvana Foa said.

The agencies recalled that Serbs had on several occasions accused the U.N. of trying to smuggle weapons for Moslems into Bosnia.

Serbs Issue Protest

LD0904040893 Belgrade TANJUG in English 2348 GMT 8 Apr 93

["Pool" item]

[Text] Belgrade, April 8 (TANJUG)—The general staff of the army of the Serb republic [in Bosnia-Herzegovina] on Thursday evening [8 April] sent a sharp protest to the U.N. Protection Force (UNPROFOR), the U.N. High Commissioner for Refugees (UNHCR) and the International Committee of the Red Cross (ICRC) on the occasion of the discovery of crates of ammunition hidden in unhcr lorries that were transporting humanitarian aid to Moslem suburbs of Sarajevo.

The protest, a copy of which was sent to TANJUG, warns that there will be detailed control of all humanitarian convoys in future and that, in the event of a repetition of such an incident, the convoys will be seized and the personnel arrested.

Top officials of the UNPROFOR and international humanitarian organizations are asked to oblige themselves in writing that abuse of humanitarian convoys will no longer be permitted.

The general staff officially informs the UNPROFOR commands in Zagreb and Kiseljak and international humanitarian organizations that ammunition was found on Thursday in motor vehicles of the UNHCR, together with a load of humanitarian aid, intended for the Moslem suburbs of Butmir, Sokolovic Kolonija and Hrasnica, during a regular checkup.

A container with a false bottom was found to contain 47 crates with 19,500 7.9mm bullets and 5,000 12.7mm caliber browning bullets.

The driver of the vehicle where the ammunition was found was a Frenchman.

The type of tme container was the same as all the other containers which arrive in cargo planes at Sarajevo's airport.

The protest underscores that the Serb republic army is aware that the moslem and [word indistinct] army have been supplied with weapons and ammunition for a long

time and that these disgraceful actions are carried out through Sarajevo's airport, through airdrops, land transports and in other ways.

The general staff of the Bosnian Serb army indicates that its tolerance and warnings given so far have not been respected, that confidence has been betrayed and that representatives of international organizations have played out their authority and lost face.

Karadzic on Arms Discovery

LD0904085393 London BBC Television Network in English 2230 GMT 8 Apr 93

[Interview with Radovan Karadzic, president of the Serbian republic of Bosnia-Herzegovina, by presenter Francine Stock; Karadzic speaks by telephone from Belgrade; from the "Newsnight" program—live]

[Text] [Stock] Well, joining us now on the telephone from Belgrade is the leader of the Bosnian Serbs, Radovan Karadzic. Dr. Karadzic, you don't seriously believe, do you, that the United Nations was carrying arms on the Muslims behalf?

[Karadzic] From the beginning we know that many people from the UN Protection Force [UNPROFOR] are helping our enemies, but we do not make a propaganda because we want to avoid any incident. I can't accuse the headquarters, I am sure it wasn't done by knowledge of headquarters, but many people probably deal with money or something like that, and we are aware that they are helping our enemies.

[Stock] But isn't it true that all sides, yourselves included, and this may not be with any collusion from the UN forces themselves, will stoop to any methods to further your own ends?

[Karadzic] Well, first of all we are devoted to the peace, we want to make peace immediately, but Muslims are continuing to fight because they are supported by Croatia, by Germany, by Islamic countries and almost by entire international community, and only Serbs are under the pressure, and Muslims are even encouraged and supplied by weaponry and by ammunition all the time.

[Stock] Dr. Karadzic, wouldn't it be highly irresponsible of you to make the UN aid mission any more difficult than it is under the present circumstances, in reaction to this incident?

[Karadzic] We are not going to make any difficulties to the UN convoys, to the UN humanitarian convoys, but you will understand me, and the whole world should understand us, that we need to make inspections because of mistrust, and the only operation that may calm Serbs is to have inspection and to see that there is no ammunition and weaponry.

[Stock] Dr. Karadzic, thank you.

UNCHR Declines Comment

AU0904101893 Paris AFP in English 0956 GMT 9 Apr 93

[Text] Tuzla, Bosnia-Hercegovina, April 9 (AFP)—The special representative of the U.N. High Commissioner for Refugees (UNHCR) in the former Yugoslavia declined to comment Friday about ammunition found hidden aboard a U.N. aid truck outside Sarajevo.

Jose Maria Mendiluce said he did not have enough information to make any comment about the ammunition found by Serbian troops late Thursday [8 April] aboard a French U.N. Protection Force (UNPROFOR) truck.

Mendiluce was questioned about the weapons cache as he was about to leave the eastern Bosnian enclave of Tuzla, where 2,000 refugees arrived on Thursday from the besieged Moslem enclave of Srebrenica, farther to the southeast.

Bosnian Serb leader Radovan Karadzic has accused UNPROFOR of wanting to deliver the ammunition found by the Serbs to Moslems in Bosnia. A spokesman for the U.N. said UNPROFOR was investigating how the ammunition got on board.

Mendiluce was expected to meet Friday afternoon in Belgrade with Serbian President Slobodan Milosevic to discuss humanitarian aid in eastern Bosnia. The commander of U.N. forces in former Yugoslavia, General Lars-Eric Wahlgren, was also expected to be at the meeting.

It was not clear how the weapons discovery might effect further aid convoys destined to eastern Bosnia. Another convoy of refugees was expected Saturday in Tuzla.

UNCHR To Review Procedures

AU0904112193 Paris AFP in English 1103 GMT 9 Apr 93

[Text] Geneva, April 9 (AFP)—U.N. officials will review procedures for the loading of relief convoys following the discovery of ammunition hidden in a U.N. aid truck outside Sarajevo, a UNHCR [Office of the UN High Commissioner for Refugees] spokesman said Friday [9 April].

"This shows that our procedures are not as exhaustive as we thought they were. Now we have to start looking for new hiding places," said Sylvana Foa, a U.N. High Commissioner for Refugees spokeswoman.

She was speaking after Serbian guards in the Sarajevo suburb of Ilidza seized nearly 24,000 rounds of ammunition on a convoy bound for the Bosnian Moslem-held suburb of Butmir Thursday.

"We were totally astounded and very angry because our people could have been killed after an incident like

that," she said. She also expressed concern that the incident would delay aid convoys reaching communities in need.

Commenting on how the ammunition could have been placed on the convoy, Foa said the loading of aid convoys is normally overseen by a Serbian liaison officer.

She denied that the ammunition could have been placed on board the convoy at the Serbian checkpoint, saying that it had been placed there in a "very sophisticated" manner "several hours before."

This assertion was supported by the discovery by U.N. Protection Force [UNPROFOR] soldiers of arms in storage areas at Sarajevo airport after the incident Thursday, Foa said.

The incident was not the first. Several months ago grenades were discovered on a truckload of potatoes, Foa said. "It is not the first time and it's not the last one. That's war," she said.

Bosnian Serb leader Radovan Karadzic has accused UNPROFOR of wanting to deliver the ammunition found by the Serbs to Moslems in Bosnia.

It was not clear how the discovery might effect further aid convoys destined to eastern Bosnia. Another convoy of refugees was expected Saturday in Tuzla.

UN Convoy Begins Journey to Srebrenica

LD0804174493 Belgrade TANJUG in English 1452 GMT 8 Apr 93

["Pool" item]

[Text] Zvornik, April 8 (TANJUG)—A convoy of 15 lorries of the U.N. High Comissioner for Refugees (UNHCR) went through the Serb towns of Zvornik and Bratunac in eastern Bosnia-Herzegovina for the Moslem enclave of Srebrenica on Thursday morning [8 April]. On the return journey, the lorries are to bring out 1,600 Moslems to Tuzla.

The Bosnian Serb side has done everything for 11 of the lorries, carrying humanitarian aid donated by the UNHCR, to reach Srebrenica unharmed and safe. The remaining four empty lorries have stayed behind at Bratunac, and will receive Moslems who might wish to leave Srebrenica, TANJUG learns from Bosnian Serb army sources.

On the return journey, the convoy with Moslems for Tuzla, northeastern Bosnia, is expected to appear at Zuti Most near Bratunac at 3 P.M. local time (13:00 G.M.T.).

The local Moslem authorities in Srebrenica prevented two previous U.N. efforts—on Sunday and Tuesday—to evacuate the Moslems.

On the other hand, the Bosnian Serb side has done everything to make possible Moslems' evacuation from the town, although the commander of the U.N. Protection Force (UNPROFOR) in war-ravaged Bosnia, French Army General Philippe Morillon, has not kept his promise to effect a reciprocal release of Serbs from Moslem-controlled Tuzla.

So far, 5,000 Moslems have been evacuated from Srebrenica, whereas barely a hundred or so Serbs have been evacuated from Tuzla, and that under an agreement between the local Serb and Moslem bodies and without the mediation of international bodies and Gen. Morillon.

More Muslims Evacuated

LD0804191793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1751 GMT 8 Apr 93

[Text] Bratunac, Zvornik, 8 Apr (TANJUG)—Nine Office of the United Nations High Commissioner for Refugees [UNHCR] trucks transporting humanitarian aid arrived in Srebrenica today and then Muslim civilians were evacuated in 18 trucks from there to Tuzla. Including the group of refugees evacuated today, approximately 6,500 Muslims who expressed a desire to do so have been evacuated from Srebrenica to Tuzla over the past 20 days, while the Serb side has done everything to help them.

As a TANJUG correspondent has learned from the Serb military sources, a convoy transporting 1,500 Muslims, who left for Tuzla of their own accord along the left bank of the Drina river, arrived in the region of Zuti Most near Bratunac around 1700. The 18-truck column then set off toward its destination through the territory of the Serb republic [in Bosnia-Herzegovina], via Bratunac, Zvornik and Caparde. The convoy left the Serb territory around 1900.

As has been learned from members of the UNHCR representatives escorting the convoy, 15,000 more Muslims in Srebrenica wanted to leave for Tuzla today. Talking to Muslims from the convoy, who were offered biscuits and cigarettes by soldiers of the army of the Serb republic, many complained of extremely cruel treatment by their compatriots toward everybody who wanted to leave Srebrenica.

Serbian Authorities Allow Morillon to Visit Srebrenica

LD0804110993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1042 GMT 8 Apr 93

[Excerpt] Belgrade, 8 Apr (TANJUG)—Bosnian Serb authorities will allow the UN Protection Force [UNPROFOR] commander in Bosnia-Herzegovina, French General Philippe Morillon, to go to Srebrenica, TANJUG was told today by the UNPROFOR Headquarters in Belgrade.

"We understand that the Serbs have let Morillon go to Srebrenica escorted by two vehicles and nine soldiers,"

the UNPROFOR stated. Morillon left Sarajevo for Srebrenica with four armored personnel carriers yesterday.

According to information available to the peacekeeping forces, the cease-fire is mainly holding in Bosnia-Herzegovina, with the exception of Srebrenica. [passage omitted]

Morillon Mobbed by Serbs

AU0804161093 Paris AFP in English 1543 GMT 8 Apr 93

[Text] Sarajevo, April 8 (AFP)—French U.N. General Philippe Morillon abandoned an attempt to return to the besieged eastern Bosnian town of Srebrenica Thursday [8 April] after angry Serb civilians mobbed his two-vehicle armoured convoy.

U.N. Protection Force (UNPROFOR) spokesman Bill Karaktin said Morillon, the UNPROFOR commander for Bosnia-Herzegovina, and the 10 soldiers with him turned back from a point about 40 kilometres (24 miles) from Srebrenica toward the Bosnian government held town of Tuzla with both vehicles damaged at about 4:30 p.m. (1430 GMT).

Morillon had asked for helicopter transport to return Friday to Sarajevo or the nearby town of Kiseljak, Karaktin said.

A relief convoy meanwhile made it into Srebrenica and left for Tuzla, which is about 90 kilometres (60 miles) northwest of Srebrenica, with more than 100 people crammed onto each truck, said John McMillan, spokesman for the U.N. High Commissioner for Refugees (UNHCR).

He said the UNHCR convoy leaders had intended to keep the numbers down, but that the trucks were mobbed by Moslem civilians terrified by attacking Serb forces.

McMillan said the UNHCR had four empty trucks over the Drina River in Serbia, and that some of the evacuees would be trqnsferred to them.

Karaktin said the some 300 Serbs who halted Morillon about five kilometres (three miles) south of the Serb-held Drina River town of Zvornik ripped aerials, tools and jerrycans off the armoured vehicles.

UNPROFOR appealed to the Bosnian Serb high command for help, and General Manojlo Milovanovic, who was in Zvornik, said he would drive down to the armoured cars.

Morillon's convoy was assaulted about five kilometers (three miles) south of Zvornik, a Serb-held town on the Bosnian border with Serbia, and about 30 kilometers (18 miles) from Srebrenica.

Karaktin had said at 3:30 p.m. (1330 GMT) that Bosnian Serb General Manojlo Milovanovic was rushing from Zvornik to the aid of Morillon.

The Bosnian Serb news agency SRNA reported that the Serbs were demanding that Morillon guarantee that for each Moslem refugee evacuated from Srebrenica by the United Nations, a Serb would be taken out of the Moslem-held town of Tuzla, also in eastern Bosnia.

Morillon Heads for Tuzla in Response to Serbian Demands

LD0804174393 Belgrade TANJUG Domestic Service in Serbo-Croatian 1623 GMT 8 Apr 93

[Excerpt] Zvornik, 8 Apr (TANJUG)—General Philippe Morillon, commander of the UN peacekeeping forces in former Bosnia-Herzegovina, left for Tuzla at about 1530 today, in response to the demand voiced by thousands of Serbs gathered in Zvornik. [passage omitted]

Morillon Heads for Belgrade To Meet Milosevic

AU0904081793 Paris AFP in English 0721 GMT 9 Apr 93

[Text] Sarajevo, April 9 (AFP)—U.N. General Philippe Morillon was heading for Belgrade Friday [9 April] for a meeting with Serbian President Slobodan Milosevic after a failed bid to reach the besieged eastern Bosnian town of Srebrenica.

Morillon, the commander of the U.N. Protection Force (UNPROFOR) in Bosnia-Herzegovina, turned back to the town of Tuzla Thursday after angry Serb civilians mobbed his two armoured cars, ripping off aerials, tools and jerrycans.

After a few hours in Tuzla, he went on to UNPROFOR Bosnia-Herzegovina command in Kiseljak, about 35 kilometres (20 miles) west of Sarajevo.

On Friday morning, after reaching the southern Croatian city of Split by landrover and helicopter, he was en route to Belgrade via Zagreb, an official said.

He is due to take part in a meeting in Belgrade with the Serbian president, the UNPROFOR commander for all of ex-Yugoslavia, Swedish General Lars-Eric Wahlgren, and the force's civil affairs chief, Cedric Thornberry.

Discussion of the plight of Moslems in eastern Bosnia besieged by Serb forces is likely to be overshadowed by the discovery by Serbs Thursday of thousands of rounds of ammunition hidden in a U.N. aid convoy destined for an outlying Sarajevo suburb controlled by the mainly Moslem Bosnian army.

Izetbegovic Calls for Western Attacks on Serbian Bases

AU0804134493 Vienna NEWS in German 8 Apr 93 p 36

[Interview with Bosnian President Alija Izetbegovic by Branimir Brljevic in Sarajevo; date not given: "Now It Is The Others' Turn"]

[Text] [Brljevic] The Bosnian Serbs refused to sign the peace plan of the international mediators, Owen and Vance, over the weekend [3-4 April]. Radovan Karadzic, leader of the Bosnian Serbs, proposed direct talks between the parties to the war. In an interview given to NEWS, Bosnian President Alija Izetbegovic is again calling for concrete actions of the West after the failure of the peace plan.

[Izetbegovic] By this, I mean air attacks on artillery bases and warplanes of the Yugoslav People's Army stationed in Serbia. Therefore, the West would also have to attack military airports on the territory of the remainder of Yugoslavia. Regarding the peace plan, the Bosnian Government has already made a lot of compromises. Now it is finally the turn of the world community. We hope that Bosnia will not become a precedent and that it will become clear that wars of conquest do not pay.

[Brljevic] So far, resolutions, such as that on a flight ban over Bosnia, have had very little effect.

[Izetbegovic] That is a central problem. The experiences with resolutions teach us that the only guarantee of success is violence. Unfortunately, armaments, tanks, and cannons are still something on which one can rely. We do not want to take this course. However, if nothing is done now, the danger of a relapse into tribalism will arise.

[Brljevic] Does a state that is divided into more or less ethnically defined provinces have any chance of survival?

[Izetbegovic] In some parts of the country we will need a lot of time to reestablish a more or less normal state of affairs. As soon as we have peace, the ethnic and national aspects will no longer play a great role—as was the case before. On all sides sober economic considerations will be decisive. Social and economic aspects will contribute to overcoming the provincial borders. I am sure that such a state will have great chances of survival.

[Brljevic] What do you say to the argument that the Vance-Owen peace plan is institutionalizing the Serbian policy of "ethnic cleansing?"

[Izetbegovic] We are very much interested in saving the peace conference. We accepted the map with Bosnia's division into 10 largely autonomous provinces as a basis for negotiations to avoid being blamed for the failure of this conference. However, the greatest pressure came from the situation of our people.

[Brljevic] Do you mean the Muslims?

[Izetbegovic] No. In recent history, in the Imperial and Royal Monarchy [of Austria-Hungary], we Muslims were a people that supported the state, but now all of us want to continue to live in a joint state. We have got used to accepting others and to living peacefully together with them. It will not be possible to solve all the problems in the sphere of activity of our generation. At present, we must above all preserve the unity of the state of Bosnia-Herzegovina.

[Brljevic] But you are also preparing yourself for the case that the peace efforts fail?

[Izetbegovic] If (Bosnian Serb leader) Radovan Karadzic signs the plan, he will look like a loser to his people; if he does not, he will be the one who refuses. Thus, the war would continue and obviously the Serbs would be to blame for it. However, I hope that some will be brought back to reason after all. If that is not the case, we will have to be prepared to defend ourselves. Therefore, we have made a pact with Croatian President Franjo Tudjman. Croatia and Bosnia-Herzegovina are two internationally recognized states that were attacked by the Serbian aggressor. Aggression against both countries continues. What other choice do we have but to defend ourselves? We have no oil, no Western investment....

I hope that the world has had enough time really to understand our situation. At any rate, we have done everything possible. The aggressor is 20 times stronger than us.

The world public knows this and we know it, too. To be on the safe side, we are preparing ourselves for the case that all efforts for peace are in vain.

Sarajevo Radio Reports Serbian Shelling of Srebrenica

AU0804190593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 8 Apr 93

[Report by the Srebrenica War Presidency Information Service]

[Text] The aggressor's offensive against Srebrenica is continuing. During the several days of infantry clashes near Srebrenica, in which many fighters have given their lives to prevent massacre and genocide, the members of the Bosnia-Herzegovina Army, particularly the special sabotage units, smashed the aggressor's forces and sent them running in panic toward Skelani and Bajina Basta.

The industrial zone of Zeleni Jadar, the regions of Jasenova and Brezani are under the control of the Bosnia-Herzegovina Army. The aggressor has frantically shelled these regions with mortars from the occupied Jezero, from tanks from the plateau of the hydroelectric power station Bajina Basta, and multiple rocket launchers from Mitrovac in Serbia.

The western defense lines of the Srebrenica front and the region of Sutjeska have been exposed today to fierce shelling

from tanks, howitzers, and mortars from Kopresko Brdo, Pomol, Derventa, and (?Gunjaci). Two people were killed, one wounded, while the destruction is vast.

The convoy of 14 trucks entered Srebrenica at 1215. Three trucks were empty, while the remaining nine were half full, which shows that the aim of the arrival of today's convoy was not to deliver humanitarian aid to the suffering Srebrenica people, but rather to evacuate the population. [passage omitted]

About 1,300 people left Srebrenica in the convoy at about 1600 today.

French Defense Minister Leotard Arrives in Sarajevo

LD0904124093 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 9 Apr 93

[Excerpts] Francois Leotard, the newly elected minister of defense of the French Republic and his associates arrived in Split this morning from Paris. Minister Leotard first visited French soldiers—members of the UN Protection Force [UNPROFOR] accommodated in Divulje, near Split, after which he left for Sarajevo. [passage omitted] My visit to Bosnia-Herzegovina has no political implications, the French defense minister told journalists at Split airport, adding that the aim of his trip to Sarajevo is to visit French soldiers there. He said that in Sarajevo he is due to meet UNPROFOR Commander for Bosnia-Herzegovina General Morillon, but he does not know if he will meet Bosnia-Herzegovina President Alija Izetbegovic. [passage omitted]

Paris France-Inter Radio Network in French 1200 GMT reports:

"Defense Minister Francois Leotard has arrived in Sarajevo on a two-day visit. He is due to inspect the 700 French blue berets deployed there. Mr. Leotard is also due to meet Gen. Morillon during his visit."

Delegation Member Urges End to 'Political Monopoly'

AU0804175393 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 8 Apr 93

[Statement by Muhamed Filipovic, member of the Bosnia-Herzegovina delegation at the peace talks on Bosnia-Herzegovina; place and date not given—recorded]

[Text] The Vance-Owen peace plan is most certainly not the best one, nor does it guarantee the implementation of those UN resolutions and London conference decisions that clearly differentiates between the aggressor and the victim and demand the rehabilitation of the victim's rights. That rehabilitation has been left to time and our ability to secure the final victory of freedom and democracy for the peoples of Bosnia-Herzegovina in conditions of relative peace.

New political forces will be needed for that, new ideas, new programs. Such ideas and forces already exist in Bosnia-Herzegovina, but they have been curbed and choked by the dominant role of national programs whose rivalry is devastating Bosnia-Herzegovina. Only with a Bosnian program and unified democratic forces for Bosnia can we overcome the coming difficulties. All forms of the political monopoly that are now devastating Bosnia have to disappear first.

Health Institute Says Over 280,000 Casualties in War

LD0804175293 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 8 Apr 93

[Text] The Bosnia-Herzegovina Health Institute today released fresh figures on war casualties. Thus far 136,840 people have been killed, including 15,288 children; 143,609 people have sustained injuries, including 65,203 people with heavy injuries. The Bosnia-Herzegovina Health Institute believes that only around 60 percent of the wounded and less than 70 percent of the killed have been included in these figures.

Krajisnik Spells Out Problems With Croats

AU0804081893 Belgrade BORBA in Serbo-Croatian 5 Apr 93 p 4

[Interview with Momcilo Krajisnik, chairman of the Assembly of the Serbian republic of Bosnia-Herzegovina, by an unidentified correspondent; place and date not given: "The Cessation of War Is in the Hands of the West"]

[Text] [Krajisnik] Some deputies in the Assembly of the Federal Republic of Yugoslavia were saying that we should sign the offered [Vance-Owen] plan, not taking into account the fact that this would be dangerous for the Serbian nation. Our people in the Serbian republic [in Bosnia-Herzegovina] look at Serbia and Montenegro as their mother countries, but some statements only contributed to the adoption of the Vance-Owen plan in the present form.

[BORBA] It is being said more and more that Serbia and Montenegro are your hostages.

[Krajisnik] We in the Serbian republic are often insulted from all sides. Nevertheless, if Serbia and Montenegro hastily say something, even if it is very bad, we forgive them. It must be known that Serbs are not waging war here for simply the freedom of the Serbs in the Serbian republic, but the freedom of Serbianhood as well. We are convinced that if the war was not waged here, it would be would waged further in the east. The best thing would be if the plan of breaking up Yugoslavia ended here and Serbia did not have to experience war.

[BORBA] Why is the Serbian side insisting on the direct talks with Croats and Muslims, and why did Biljana Plavsic's [vice president of the Serbian republic in

Bosnia-Herzegovina] idea on a pan-Serbian referendum, which is supported by a number of deputies, not receive the green light?

[Krajisnik] We have different problems with Muslims and Croats. To be more specific, we are disputing the Drina valley, Kupres, Donji Vakuf, Jajce, and the Sava basin region with the Croats. It would be helpful if the cochairmen arranged a meeting with the Croatian side so that we could resolve the problems as soon as possible and avoid further clashes. The same applies to the Muslim side.

Regarding the referendum, I must tell you that following the claims by Vance and Owen that the leadership of the Serbian republic is too radical and that people most certainly do not hold the same view, we suggested that this be tested at a referendum to see whether the people want Bosnia-Herzegovina to continue or the Serbian Republic. Any view that they feel is not the view of the people but rather the leadership can be considered. This is an expensive thing and that is why this idea did not get through.

Serbs in Tuzla Reportedly Dying of Hunger

93BA0799B Belgrade POLITIKA in Serbo-Croatian 10 Mar 93 p 9

[Article by M.K.: "The Serbs in Tuzla Are Already Dying of Hunger"]

[Text] Thanks to Bishop Lavrentije, who sent it by fax, the Patriarchate of the Serbian Orthodox Church has received a moving letter from a Serbian woman in Tuzla who sent it to her brother in Valjevo.

In the letter, which was private and was not a kind of appeal for help, the sister reported the following to her brother:

"I am writing you this letter driven by some kind of primordial human instinct for survival. That is, during this time we have been at war I have not wanted to burden you or yours with any of the things that have been happening here. You have worry enough knowing that we are here, that all communications have been severed, and that there is no way of getting out, not even for the children.... What I ask of you does not concern me and my children, but all the Serbs who have ended up imprisoned here.

"The Serbs here are hungry, and the elderly have begun to die of starvation. The Muslim people are receiving aid through Merhamet, the Red Crescent, and Igasa, and that aid is abundant; the Croats are receiving it through Caritas. We Serbs have Dobrotvor, which is associated with the church, but it is not receiving aid from anywhere, but rather aid is collected from those who are here and distributed to the neediest. Believe me when I say that those of us here who up to now have been giving a little something no longer have anything to give. And every day there is a crowd of people in the churchyard asking for help. Those are no longer men, they are not women, they are not children. They are skeletons who are begging, and I can no longer look at that....

"So go to the church, go to see the bishop of Sabac and Valjevo, ask him to contact our Bishop Vasilije, and let them find some way to send packages to Tuzla which relatives will prepare, like the campaign that was carried out for Sarajevo. We are not seeking aid from the Republic of Serbia, because we know that it is already 'on its knees,' but at least half of us have relatives there, and we believe that they will help us, and we will distribute what we get here in the fairest way.

"Freely present this letter, let them read it, and insist on something being done and some kind of help," reads the letter which a Serbian woman in Tuzla sent to her brother living in Valjevo.

Economic Woes of Banja Luka Firms

93BA0819C Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 15 Mar 93 pp 17-19

[Article by Spasoje Perovic: "Bosnian Krajina: Wartime Economy"]

[Text] *During these days of war, Krajina entrepreneurs look more like tightrope artists than businessmen. Because what is it if not magic to work and survive under the conditions in which the Krajina economy is functioning, and most of it is located in the part that gravitates toward Banja Luka, the economic, administrative, educational, and medical center?*

How to endure, survive, and live under conditions when the current commitment of production facilities is between 5 and 15 percent, when one-third to one-half of all workers are fighting the war instead of operating their machines, and when the means of payment is not one's own currency, that of the Serbian Republic [of Bosnia-Herzegovina], but rather the Yugoslav dinar, which are in short supply, as is hard currency—the German mark? Transport costs only slightly surpass production costs, and workers' personal earnings are falling rapidly in both absolute and real terms. The question arises of how to motivate even this small number of workers to work for wages that range from 10 or 15 to, in the best case, 20 German marks? The scarcely viable economic pulse depends on how passable the corridor to the FRY is, which at its narrowest and most critical point is two or three km wide. Under such conditions and such an encirclement, it is truly a wonder that there is any economic activity aside from trade reduced to a barter system. Interviews with the directors of enterprises that were successful in the former Yugoslavia show what the current situation is like.

"Incel": How to Maintain Reputation

Before this insane and unnecessary war, as all Krajina businessmen have characterized it, "Incel," Banja Luka's industry for wood pulp, paper, and chemical

fibers, accounted for more than 60 percent of the production of viscous wood pulp, one-third of the production of tissue paper, and around 40 percent of the production of personal sanitary products in the territory of the former SFRY. Moreover, with its own production of electricity and steam, Incel covered part of the city's consumption, which found full expression during the military conflict when Incel's power plant was the only producer of electrical energy in this part of B-H [Bosnia-Herzegovina] and the only supplier of electricity to Banja Luka and vicinity. Through its own plantings and nurseries, it covered part of the demand for high-quality coniferous wood for pulping. Incel was at the very top not only of the economic scene of Bosnia-Herzegovina, but also that of all of Yugoslavia, and it sold more than 50 percent of its total products on the international market. The ratio of imports with exports came to between 1.5 and 2 times, with foreign-exchange revenues of approximately $60 million.

"This business status and reputation," emphasizes Lazo Tomic, the general director of Incel, "has obligated us to spend all this time of war working exclusively on tasks that we classify as efforts to maintain the operational readiness of production equipment. Working under circumstances that are at least vaguely similar to those before the war is not possible for many reasons, whereby Incel has an advantage, because it has its own power plant. However, the lack of communication, the rise in transport costs of two to 10 times over, and the economic blockade against the FRY are being felt more strongly, and the total suspension of communication ties with the western part of the former SFRY has fatefully and vitally linked us to the FRY."

All of this turns a businessman into a magician! A great deal of business skill and energy is needed to maintain the contacts established in the past and to somehow conduct business under conditions where there are no regulated trade payments.

"Under conditions where we do not even have a trace of competition, of a market economy, of the possibility of functioning as we should, it is illusory to expect anything other than mere survival," says director Tomic. "Until the day when the buyer asks why it is our product and pays for it in sound currency, as long as the relationship is based on a mere exchange of goods that we call compensation, until we are certain that our truck with essential raw materials from the FRY will definitely arrive at our factory, we will operate just so we can make it to the end of this war, which no one needs. We will operate just so we can ensure the mere existence of the workers and the most essential needs of society. Nothing more is possible!"

The lack of regulation in trade payments with the FRY means a wide field of activity, with various operators and dealers. This type of business favors "hawkers" and not major economic enterprises, be they in the ranks of social capital or in private hands. There must be some regularities. What is next?—this is the increasingly frequent and vocal question of businessmen in Bosnian Krajina. Director Tomic has this to say about that: "Any enterprise that does not have a prepared development plan for the situation in which we find ourselves has no chance of surviving. Our plan is to preserve the operational readiness of all capacities, all business ties, and to succeed at these two tasks. Because the war will be over one day, and we hope that it is soon! Incel has products that are very much in demand. Thus, we will continue to be what we have been—the mainstay of economic development in this region."

"Cajavec": Realignment Under Way

The line of products at "Cajavec," registered before the disintegration of the SFRY, and thus before the military conflict of 1991 in Croatia and of 1992 in the territory of the former SR [Socialist Republic of] B-H, included specific-purpose electronics—telecommunications, control systems, computer technology, radar technology, telemetry, speech systems, automotive electrical equipment, automation, commercial electronics, television and radio equipment, and medical equipment. A significant part of production was sold abroad, where it accounted for more than 15 percent of "Cajavec's" total revenues.

"Then, 'Cajavec' was an identifiable company, with more than 700 products," says Slobodan Kustrinovic, the general director of "Cajavec" Holding Company. "Right before the disintegration of the SFRY, we restructured ourselves from an SOUR [composite organization of associated labor] into a holding company with 38 components, and we began to restructure the individual areas with long-term, designated development and production plans. That helped us a great deal under the wartime conditions, which are abnormal for the economy, in terms of making us ready to meet the war in an optimal state. The war deprived 'Cajavec' of a significant territory that comprised its market in other parts of the SFRY. Thus, of total domestic trade, Serbia and Montenegro, the present-day FRY, "accounted for" approximately 38 percent, with 30 percent going to Croatia, 5 percent going to Slovenia.... We had to make up for lost markets on one side through the other side," says Kustrinovic. "With some new products, we captured new markets in the Russian Federation; forced to adapt, we also moved into some other areas in Europe and beyond, but the economic blockade imposed on the FRY had far-reaching consequences for us as well. At the moment, the business philosophy of "Cajavec" is based on adapting our potential to the needs of special-purpose industry and struggling for organizational and all other types of independence." Under these conditions, production is not at the level made possible by the installed capacities, but the most necessary things are ensured. If there were more electrical energy, things would be much better and more efficient, but....

Even without electricity, however, pressure is being exerted by other problems: transport costs that have

increased many times over and the unresolved question of trade payments with the FRY. Because, as Kustrinovic emphasizes, in the FRY "Cajavec" has significant business ties with the strongest economic systems: Red Flag, DMB [expansion not given], Belgrade Radio and Television, "Radoje Dakic," Niksic Iron Mills, "Kablovi" Svetozarevo, Priboj Automobile Plant, "Servo Mihalj," and they, like us, are experiencing difficulties due to the lack of standard regulations, but all of that is beyond the power of direct influence by economic collectives on general trends.

Veterinary-Livestock Center: Chains of Cooperation Broken

The Veterinary-Livestock Center is the only one of its kind in the territory of the former SR B-H, and based on the potential that it developed from its founding, in 1953, until the disintegration of the SFRY, it is one of the most important for the production, sale, and safekeeping of semen for artificial insemination of domestic animals.

"The value of one center for reproduction is measured according to the genetic potential of the breeding stock being utilized," explains the director of this organization, Tomislav Perovic. "This center has at its disposal genetically-tested bulls of imported origin, from the United States, Germany, Austria, and Switzerland, which opened the door for us to all the territory of the former SFRY. The apocalypse that has happened to us has broken off the chain of regular distribution of semen to clients. Since May 1992, there has also been no exploitation of bulls, but with maximum effort we have succeeded in preserving our herd stock, so that right now, in very small quantities, the deposited semen of earlier generations of bulls is being used."

The current situation forces the Banja Luka Veterinary-Livestock Center to cooperate exclusively with livestock organizations in the FRY and in Knin, Glina, Petrinje, Obrovac, and Benkovac, which clearly makes it impossible to exploit the full potential of that center. Mr. Perovic emphasizes that active cooperation can be maintained with the corresponding center in Belgrade, and once normal relations are established, and the flow of goods and capital between these regions and the FRY is normalized, demand will balance out. There are even some indications that partners from Slovenia and Croatia will continue cooperation, although only after the overall situation in the territory of the former SFRY is settled to an extent that will permit business dealings.

The assessment of the current situation and of the possibility of further operations by this center is indicated by the following: Since it has genetic material from live breeding stocks of enviable value, a highly qualified staff of professionals (all veterinarians at the Center have academic titles), once intermediate goods and energy are available the Center will be able to get going immediately and resume its forcibly interrupted production. But it is much harder to surmount the consequences of the destruction of the basic parent stock of cows through out this center's entire effective area. In this regard, it is necessary to involve all elements that influence the overall situation in agriculture, especially livestock breeding.

"Slavnic BMN" Private Enterprise: We Must Work

Boro Slavnic, a deserving middle-aged businessman, is remembered in Banja Luka as the first man to invest money in food production instead of in a bar or some other catering establishment. Indeed, his private enterprise for farm production and domestic and foreign trade was registered in 1990. He invested his own capital in the production of silage feed and began producing meat.

The money invested in 1990 was bearing fruit by 1991, when "Slavnic DMN" achieved a foreign-exchange balance of 1.5 million German marks. Even then, however, the detrimental consequences of the first wartime operations in Croatia were felt. Last year, 1992, exports reached a level of only a little more than 100,000 German marks.

"This year, 1993, even that amount will not be realized, and when asked what to do, I answer: We must work," says Boro Slavnic. Slavnic works because he knows that food is a product that always brings a good return, because everything that is invested eventually finds a corresponding equivalent.

And in order for money invested in farm production to yield adequate results, Slavnic believes, it is necessary to invest in those programs that guarantee the best profitability, and not in those backed by the sonorous name of social agricultural organizations.

All the problems of an economic nature in which the FRY—currently our only "window" on the world and possibility for any sort of business—finds itself are multiplying on the general economic scene, Slavnic continues. There must be some regularity and some mechanisms in business dealings, or else the total chaos in economic relations will threaten even that small amount of will and energy to work and survive. Under the wartime conditions, Slavnic is investing in this year's planting and in expanding capacities for fattening cattle. The explanation is very simple—if he does not plant this spring and prepare silage, then he will not have food for fattening, and that means that he will not have anything to export onto the market in a year or two. This means that he must work. And producing food means producing a commodity that always has a price and buyers!

"Bosanka": Long Road to Raw Materials

During peacetime, which was not that long ago, Banja Luka's "Bosanka," a factory for the production of fruit juices, sold a large part of its products in other Yugoslav republics besides Bosnia-Herzegovina. That was its orientation almost from the beginnings of the company, in 1958. "Bosanka" has long been the exclusive bottler of

"Pepsi-Cola" for this part of Yugoslavia. Utilization of capacity was as much as 80 percent, only to fall to approximately 50 percent last year, 1992, although even that production was not constant.

"Many factors have left us satisfied with what we have done," explains the director of "Bosanka," Eng. Milivoje Komljenovic. They are the shortage of electrical energy and masut, the smaller market, and the absence of a significant number of workers who are at the front instead of at their machines.

Under conditions of nonexistent standards in trade payments between the two states, runaway inflation, and so on, "Bosanka" has managed, even under these wartime conditions, to take over several new products and new markets. It began by bottling mineral water from Laktasi springs, "Pearl," and it took over the production and bottling of "Kozarcanka" plum brandy as well as "Viljemovka" high-quality rakija. The lost markets, especially in Bosnia-Herzegovina, have been partially offset by capturing new ones. Part of production, primarily of juices in so-called "gratis" packaging, is being sold in the FRY as well.

The fact that "Bosanka" has not lost a single work day since the beginning of the military conflict, when it had electrical energy, indicates that this collective is looking forward to the end of the military conflict in this part of the former Bosnia-Herzegovina ready for the most important tasks that await it. Plans are being made to move from the current, unsuitable location—which does not allow for expansion—to the very center of the city, but until then there are momentary problems: how to get the necessary intermediate goods from the FRY under conditions of aggravated transport, how to secure Yugoslav dinars for itself when there are none of them in this region, and how to "cover" two or three jobs with one worker?

War Linked to Future Role of World Powers

93BA0822A Belgrade NIN in Serbo-Croatian 19 Mar 93 pp 48-49

[Article by Stevan Niksic: "War in Bosnia-Herzegovina on World Diplomatic Scene: Black Anniversary"]

[Text] *Increasingly, the fate of Bosnia-Herzegovina is being openly linked to the fear of a possible uncontrolled development of events in the former Soviet Union, but also to certain suspicions, and even skirmishing, between the United States and Europe about their future roles in this part of the world.*

No matter how tragic and bloody it is, the current Bosnian drama is not the greatest conflict of this kind in the contemporary world in terms of the number of victims and afflicted people, but the attention of the major world media is most highly concentrated on it. The reasons, of course, are strategic in nature and extend far beyond the borders of Bosnia-Herzegovina.

A year has already passed since the beginning of the war in Bosnia-Herzegovina, and no end is in sight. Izetbegovic and Karadzic continue to grapple with Vance and Owen, and all indications are that this agonizing process could continue for some time. At least until large-scale military preparations within the framework of NATO are completed and agreements with all possible future "allies" are concluded.

In any event, the latest statement by Lord Owen, made last week, that the proposed maps are, in fact, only "provisional" does confirm that the international community is not yet ready to "cut in." And that it is not quite sure about where, how, and why to "cut in."

It is as if the world has already gotten used to the Bosnian slaughterhouse, like an endemic form of Balkan pathology, and as if it accepts as a given that nothing coherent can be done here through diplomatic means, at least for the foreseeable future. And alongside the diplomatic efforts being made by the increasingly exhausted negotiators and the already largely distracted mediators, preparations for the next, inevitable phase are drawing to a close: turning this entire matter over to the jurisdiction of soldiers....

Apparently, no one is hurrying to resort to this expensive and dangerous "remedy," although it is also true that no one is trying to hide the belief that, in one way or another, several tens of thousands of U.S., British, French, or Russian soldiers will ultimately have to be sent into Bosnia in order to establish or preserve some sort of peace "formula" there.

"Most-Favored" Crisis

The international political, diplomatic, and military machinery, largely absorbed with drawing up strategic, logistical, and other plans for a Bosnian operation, has already institutionalized this case and advanced it as a first-class international crisis, like the one in the Middle East. In that regard, it is conceivable that the main battle being fought at NATO's Brussels offices right now revolves around the question: Who will be the commander?

A Briton, a Frenchman, or an American? And who will appoint the future commander, NATO or the United Nations?

It may sound paradoxical, but it is a fact that the war in Bosnia-Herzegovina, if reduced to numbers alone, is not the most momentous event of this kind in the world today. For example, in the Angolan civil war, which is flaring up again, despite the fact that it was ceremoniously ended on 1 May 1991, there have been many more casualties over the past year alone than in Bosnia. And the number of refugees who have had to leave their homes because of the renewed attacks by supporters of the UNITA [National Movement for the Total Independence of Angola] movement under the command of

Jonas Savimbi against government forces is incomparably greater than the total number of refugees who have left Bosnia-Herzegovina....

However, it is no coincidence that the attention of the major world media is not focused on the war in Angola and on the suffering of the innocent civilians there to the extent that it is focused on events in Bosnia-Herzegovina. One can only speculate about the reasons.

The current aggressor in Angola, the local movement known as UNITA, has always enjoyed the goodwill and wholehearted support of the West, as well as the military assistance of South Africa. The other side, the "National Front for the Liberation of Angola," lead by the current Angolan president, Eduardo dos Santos, had a pro-Soviet orientation and relied on the generous assistance of Cuban "internationalists." After 16 years of war in that country, a cease-fire was signed, and the conflicting sides agreed to participate in elections—which UNITA lost.

Since the former defenders of the winning side in the Angolan war have themselves come to ruin in the meantime, it is possible that Savimbi the loser believed that he would have better luck in this round and took up arms once again. And his former defenders and current sympathizers decided to close their eyes....

But perhaps it is also possible to consider this in a different way. The renewed war in Angola, compared to what is now happening in Bosnia-Herzegovina, is just an isolated "second-rate" crisis in the African jungle, in contrast to the potentially more dangerous crisis in a volatile and agitated part of the European continent....

Many other similar examples can be cited in addition to this very characteristic one.

For example, it is not with good reason that the world is upset by the heightened tensions in the Korean peninsula, especially after the decision by North Korea to demonstratively withdraw from the International Treaty on the Nonproliferation of Nuclear Weapons. A few days ago, that country's ambassador to the United Nations warned that war with South Korea could break out at any time....

But reports on the political tension and potentially explosive situation in the Korean peninsula, even after it was announced that Kim Il-song might possess nuclear weapons, do not earn nearly as much attention as the reports coming from Cerska, Srebrenica, and other places in Bosnia-Herzegovina. Even if there is a renewal of the fighting in densely populated Southeast Asia, where the number of soldiers, and thus of potential casualties, is usually measured in the millions, it would still be possible for such an event to remain in the shadow of the crisis in Bosnia-Herzegovina in terms of attention in the world media. The reason is probably that the world no longer looks the same as it did in 1950, when the Korean war began.

There is no mystery here, nor some "worldwide anti-Serb conspiracy," as some here are included to argue. "The war in Bosnia-Herzegovina must be stopped before it becomes a source of similar conflict in the former Soviet Union," says Cyrus Vance, thus disclosing the whole secret.

Asked whether there is justification for sending U.S. soldiers to Bosnia if a peace treaty is signed, Vance answers in the affirmative. And he adds (several days ago in an interview with a U.S. television network) that the United States has good reasons for sending ground troops there, "even if the current conflict in Bosnia-Herzegovina is not stopped through negotiation."

Lord Owen is even more precise. Rejecting the earlier formula whereby NATO ground forces could move into Bosnia-Herzegovina only after a "stabile cease-fire" was secured there, he says, "The operation must begin no later than 72 hours after the signing of an agreement, so that the signers would not have enough time to back out. After all, they do have a tendency to do that."

New Disposition of Forces

The secretary general of NATO, German Gen. Manfred Werner, and the supreme commander of that military alliance in Europe, U.S. Gen. John Shalikashvili, agree—according to London's SPECTATOR—that Bosnia currently represents such a threat to European security that NATO must intervene. Otherwise, they say, it will "have less and less significance in the disarranged order of post-cold war Europe."

In other words, this is really about (among other things) formulating a new, comprehensive military strategy in Europe, especially in Eastern Europe, which should be promptly tested in Bosnia, as a sort of test range. Thus, the current haggling over who will command future NATO troops has special significance.

France is doing everything it can to impose its own candidate, Gen. Philippe Morillon, as commander of the "allied" forces. And Gen. Morillon himself, through his spectacular media campaigns in Cerska, Srebrenica, and elsewhere, appears to have already begun a sort of election campaign for that post.

The French, who have not formally given up membership in NATO, but who for years have not participated in the military structure of that alliance, now feel that the command function should not be entrusted to an American, but rather to a European. And to be more precise, they feel that it would be best for the commander to be French, precisely because France is not a member of NATO in the full sense of the word. As an argument supporting their position, they cite the fact that this could make it easier for the Russians to approve the participation of their soldiers in such an operation, because the Russians would supposedly have a hard time agreeing to put their soldiers at the disposal of a U.S. commander from NATO.

The British, at least in this regard, are less exclusive and less dyed-in-the-wool Europeans. Lord Owen himself warns that there is no alternative to all other Europeans accepting a U.S. commander, since the entire operation cannot be carried out without the Americans, and under no circumstances will the Americans consent to having their soldiers subordinate to anyone other than their own officers.

Thus, increasingly the fate of Bosnia-Herzegovina is being openly linked to the fear of a possible uncontrolled development of events in the former Soviet Union, but also to certain suspicions and even skirmishing, between the United States and Europe about their future roles in this part of the world.

Alongside the attempts to find an effective formula for some sort of peace in Bosnia-Herzegovina, Western leaders are now attentively following the maneuvering of Russian President Yeltsin and the Congress of People's Deputies in Moscow, and again are doing so with a mixture of fear and frustration.

"I am not a big optimist," says Marshall Goldman, the director of the Russian Research Center at Harvard. This U.S. expert in Russian affairs predicts that the current struggle in Moscow will end with Yeltsin becoming an "ordinary figure without any real power" or a "dictator."

However, the Western media are already observing that "Russia is heading toward civil war" and wondering, "Can anything that the West is capable of doing right now have any influence on events in Moscow?"

This can be only one of the reasons to hurry up in Bosnia!

Helmut Sonnenfeld of the U.S. Brookings Institute, also a prominent U.S. expert on Russian affairs, notes that Russia's transition from a directed economy to a free market is unprecedented and says, "We do not know whether or not the things that we are trying to do are helping them."

In this case as well, however, certain differences between the European and the U.S. approaches are discernible. German Chancellor Helmut Kohl, who was in Moscow recently, continues to send friendly messages to Yeltsin and to openly promise him all possible support. French President Mitterrand himself, despite enormous domestic headaches before the elections (which his socialists lost, judging from all indications), traveled to Moscow to personally demonstrate his support and to promise aid to the Russian president.

Still, for now U.S. President Clinton is maintaining a polite distance and aloofly following the course of events, waiting for the outcome. He has not demonstrated a desire to go to Moscow himself, nor to possibly invite Yeltsin to visit Washington; instead, he decided on a neutral variant—a meeting with the Russian president at the beginning of next month in a third country, in the Canadian city of Vancouver.

The truth is that some people familiar with Russian-U.S. diplomatic relations are now speculating that the reason for Clinton's "distance" with regard to Yeltsin could be utterly bizarre and have to do with the U.S. President's personal vanity. Clinton, they say, wanted to begin his term in the White House with the spectacular signing of a nuclear nonproliferation treaty with Moscow. During the U.S. election campaign, however, Yeltsin seemed to be betting on Bush, and decided to bestow this trump card on him, so that at the very end of the former U.S. president's term he hosted Bush at the Kremlin and signed an agreement with him on the destruction of missiles. In this way, Washington has nothing else to get from Moscow in this grand political trade, aside from pointing out to the Russians the obligation that they have assumed and demanding that they honor what was signed.

In Moscow, where the opposition is now alleging that the agreement on the destruction of several thousand Russian strategic missiles was inequitable and more favorable to the Americans, they have an important "argument" in their hands. If Yeltsin falls, or his power is restricted significantly, his adversaries would be able to say that they do not recognize the signature on that treaty.

There is absolutely no doubt that this is precisely one of the "arguments" that is making the crisis in Bosnia-Herzegovina so exceptional!

U.S. Congress Delegation Holds Talks in Zagreb

LD0804225693 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 8 Apr 93

[Text] A delegation of the U.S. Congress led by Mrs. Susan Molinari and including congressmen Bill Paxon and Peter King has been paying a visit to Zagreb. Croatian Prime Minister Nikica Valentic and Croatian Assembly Speaker Stipe Mesic had separate talks this afternoon with their American guests. Branko Merlin reports:

Mrs. Susan Molinari and Messrs. Paxon and King belong to a group for the support of Croatia in the U.S. Congress, meaning that they have also up to now urged objective information on Croatia on the American political scene. They have also advocated support which Croatia as a new democratic state deserves. The aim of their visit is to collate reports on what else they could do for Croatia.

Croatian Prime Minister Nikica Valentic briefly explained the situation to his guests: Foreign policy is not changing while the peaceful settlement of conflicts remains a principle which Croatia is still urging. Privatization and ownership transformation ought to be speeded up to achieve the free market economy, and at the same time democratization in all sectors must enable us to reach European standards. That also refers to media, particularly electronic ones. The world can help through lending moral support, sending humanitarian aid, but most could be done though providing aid for the development of economy, Valentic holds.

Croatian Assembly Speaker Stipe Mesic outlined to his guests the genesis of the Serb aggression labeling as unfounded some expectations in the West that democratic changes could occur in Serbia which would then automatically lead to the end of war. The world is passively watching the aggression which can be halted by cutting off the logistic support by Belgrade to the Serbs in Bosnia-Herzegovina and Croatia, Stipe Mesic stressed.

In the talks with Mr Valentic and Mr Mesic the guests were particularly interested in the viability of the Vance-Owen plan and the situation in Kosovo.

Croats Reportedly Burning 'All Serbian Villages' in Krajina

LD0804175593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1737 GMT 8 Apr 93

[Text] Knin, 8 Apr (TANJUG)—At about midday today, the Croatian Army started an operation of burning down all Serbian villages in the occupied areas of the republic of Serb Krajina, military sources in Knin reported.

All villages along the Zadar-Benkovac line of the northern Dalmatian front, including Smokovic, Islam Grcki, and Kasic, are on fire.

Croatian forces are in this way completing the operation they began with their aggression against the republic of Serb Krajina on 22 January of this year and which they failed to complete despite continuous night and day artillery attacks on Serb villages over the past two and a half months since the aggression started.

RSK Claims UNPROFOR Owes Nearly $4 Million

LD0804224093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1653 GMT 8 Apr 93

[Text] Knin, 8 Apr (TANJUG)—UNPROFOR currently owes the republic of Serb Krajina [RSK] nearly $4 million for accommodation and other services, Radio Knin reported today. Specifying that the exact figure is $3,812,000, the radio explained that the information was presented by RSK Prime Minister-designate Djordje Bjegovic in the course of the talks with the UNPROFOR Head of Civilian Affairs, Cedric Thornberry, in Topusko yesterday.

On this occasion, Radio Knin reports, issues stemming from the Croatian aggression against Krajina were discussed. Thornberry and the UNPROFOR commander in Sector South Arab Rob [name as received] raised the issue of the restriction on the movement of UNPROFOR members with their collocutors, RSK Army Commander General Mile Novakovic and RSK Interior Minister Milan Martic.

Milan Martic explained that this decision was made solely with a view to the safety of UNPROFOR members and would stay in force as long as the situation remained the same. General Novakovic criticized UNPROFOR conduct because it had reported all detail of the Serb forces movement to their commands before the Croatian aggression, while it had not done the same about the movement of the Croatian Army. Hence, the people are increasingly mistrustful of the peacekeeping forces, RSK representatives stressed. They then warned again of a possible fresh aggression against Krajina by Croatian forces.

Thornberry said that UNPROFOR observers also warned of that possibility in their reports. This meeting also discussed the UNSC Resolution 815 and infamous Point Five, which treats the RSK as an integral part of the Republic of Croatia.

According to Thornberry, this point was incorporated into the resolution through a last minute intervention "by a UNSC [UN Security Council] member" without previous consultations with UN Secretary-General Butrus Butrus-Ghali and with the cochairmen of the conference on former Yugoslavia, Cyrus Vance and David Owen, which is not a standard practice.

Bjegovic drew attention to the fact that Krajina, was under an economic blockade because it was not being issued with import-export licences although it was under the UN protection.

Babic Decries 'Puppetlike Administration' in Krajina

AU0804185693 Belgrade BORBA in Serbo-Croatian 2 Apr 93 p 9

[Interview with Milan Babic, chairman of the Serbian Democratic Party of Krajina and the Serbian Region of Knin, by Srdjan Radulovic; place and date not given: "Milan Babic: The Krajina Administration Is a Puppet]

[Text] The meeting of the Krajina assembly in Beli Manastir approved the shuffles previously announced by Goran Hadzic, president of the republic of Serbian Krajina [RSK]. However, many dilemmas regarding political relations in Krajina and the future status of the RSK still remain unanswered. Only the riddle of the possible return of BORBA's interviewee Milan Babic, chairman of the Serbian Democratic Party [SDS] and the Serbian region of Knin, to the political leadership of Krajina was solved.

[Radulovic] What did the Krajina assembly achieve regarding overcoming political disunity and the fight for Krajina's status, and what else could have been done?

[Babic] Regarding the general situation in the RSK, I think it would be better to ask what the assembly failed to do. At the previous meeting in Korenica, which was the assemblage of the Serbian region of Krajina [SO Krajina] that constitutes one-third of the representatives in the RSK assembly, we came to a unanimous decision to send a letter to the UN Secretary General Butrus Butrus-Ghali, regarding a request for further UNPROFOR [UN Protection Force] involvement on the territory of the RSK. When making the decision, we were guided by the fact that the first extension of the UNPROFOR mandate, until 30 March, was about to expire, and that in the meantime Croatia was making efforts to reformulate the mandate according to its own desires. It was also demanded that our Serbian warring faction give its opinion and present its demands, because the year-long mandate of UNPROFOR and the plan under which UNPROFOR had been deployed has not guaranteed safety in the protected areas, best demonstrated by the Croatian raid against Krajina on 22 January, thereby annulling the Vance plan. Therefore, at the meeting in Korenica, we proposed a letter be sent to Butrus-Ghali, demanding the reformulation of the UNPROFOR mandate in a way that will place the peacekeeping units at the line of battle after the withdrawal of the Croatian forces, while the mandate should be extended to five years to allow a just political solution.

[Radulovic] Why was the Korenica demand not approved in Beli Manastir?

[Babic] I guess because of the demand itself, against which the campaign, which is also against me, has been resumed, particularly in the media of the Republic of Serbia. It is aimed at drawing attention away from that essential demand and to the question of the performance of certain functions within the RSK administration. I was accused of aspiring to grasp administrative power, whereas my real intention was to use the RSK assembly to present the demands put forward by the SO Krajina. Some of the representatives from western Slavonia were against putting that demand on the agenda and were also against putting on the agenda a vote of confidence regarding the chairman of the assembly, the president of the republic, and the government of the RSK. I later found out that the majority of those representatives had held consultations in Belgrade, while Paspalj presiding over the assembly alone was a manipulation, reaching its climax in the false vote count in his favor. Instead of accusing the policy pursued so far, its creators are receiving support, and continue to lead Krajina into a totally unpredictable future.

Vance Plan Was Imposed

[Radulovic] You are one of the people who believe that the journey into the unknown started with the acceptance of the Vance plan. The assembly in Beli Manastir gave its vote of confidence to the people who accepted that plan. How do you see that?

[Babic] When the Vance plan was imposed on Krajina there were three categories of people. One refused the plan saying it was a crushing defeat for the Serbian people, the second accepted it, believing in the authority of Belgrade and not knowing what they had actually accepted, while the third category accepted the Vance plan entirely and unconditionally, knowing fully what they had accepted. We who opposed the Vance plan were excluded by means of force and a coup d'etat from making decisions upon such issues. Others have recently been excluded, and I think that only those who have the full support of Belgrade and who are familiar with all the effects of the plan, will remain in the Krajina administration.

[Radulovic] Could such a conclusion have been expected, in view of the events prior to the meeting of the RSK assembly and in view of the influence of Belgrade on the creation of Krajina's policy?

[Babic] It is quite certain that the course of events was completely unfavorable for us, not only for the Serbs in Krajina but for Serbs in all regions of the former Yugoslavia.

[Radulovic] To what extent does the latest resolution of the UN Security Council regarding Krajina, that is Croatia, make things drastically worse?

[Babic] That resolution is not only unfavorable for and against the interests of the Serbian people in the RSK but also questions the independence of Krajina. In the introductory part of the Resolution it is stated that the Security Council pays particular attention to the obligation to ensure the sovereignty and territorial integrity of Croatia and that the obligation will be fulfilled through

the implementation of Chapter 7 of the UN Charter, under which UNPROFOR is authorized to use arms in the conduct of its mission.

It is actually Chapter 5 that is particularly harmful to us, stating that the Security Council supports the cochairmen of the Conference on the former Yugoslavia in their efforts to help define the status of the UN protection areas, the so-called UNPA [UN Protected Area] regions, while the Resolution explicitly states that those areas are integral parts of Croatia and so prejudges a political solution and goes beyond the already accepted Vance plan which specifies that the peace keeping mission would not prejudge political solutions. So, the peacekeeping mission has been directly connected to the negotiations at the international conference, while UNPROFOR gets the role of an armed force that will impose the options, determined to be solutions by the cochairmen of the international conference, on the people of Krajina regardless of the rights the Serbian people are entitled to.

Negotiators Deceived the Serbian People

[Radulovic] Could the RSK policy pursued so far, including participation in the New York and Geneva negotiations, influence the course of events?

[Babic] By accepting and approving the text of the Resolution the delegation team composed of Hadzic, Paspalj, and Slobodan Jarcevic [RSK foreign minister] deceived the Serbian people, who are against such solutions. Simply put, it is the same policy that has been pursued since the Vance plan was adopted.

[Radulovic] In that policy, as you define it, a very important role was played by the former RSK Prime Minister Zdravko Zecevic, who had even been referred to as a hardliner. He was suspended, however.

[Babic] Zecevic was a scapegoat. He was a marginal figure in that policy. The main protagonists have remained, while Zecevic was removed so that the responsibility for all the political failures could be ascribed to somebody else, although Zecevic himself cannot deny his share of responsibility. As for his being a hardliner, Zecevic was a representative of the surviving part of the SDS in the power structure, so his removal also has other connotations. He and some other people that were removed, represent the aforementioned category that believed in the authority of Belgrade, while not knowing what they signed. They probably only recently became aware which way things were going, which made them inappropriate.

[Radulovic] Zecevic was removed by Hadzic who is also a representative of the remains of the SDS in the authorities of the RSK, but he designated a member of the Socialist Party to replace Zecevic.

[Babic] If one more categorization, into obedient and disobedient, were to be made for the present power structure, then one could say that it came to the removal of the suspicious and those who were not able to complete their assignment.

[Radulovic] With regard to the derived [as published] representative status of "assemblyman" and the fact that a multiparty political scene almost does not exist in Krajina, it appears that the citizens and even the parties, do not have any impact on either the authorities or, consequently, the policy that is pursued. Whose administration is it?

[Babic] We need not beat about the bush here. Simply, there is a puppet-like administration in Krajina.

[Radulovic] Are your attitudes toward certain people in power in the RSK and their "mentors" the result of attacks against you by the Krajina leadership and also from Belgrade?

[Babic] Those are political intrigues that overshadow the truth. Before the meeting in Beli Manastir, I expected that such relations and models of administration in Krajina would be overcome, and that we would take over a system corresponding to the democratic character of society in other countries, that there would be dialogue between different political parties in Krajina, that agreement would be reached upon the best solutions both for the functions of administrion and for the situation in which Krajina finds itself, which is still determined by international factors. This, however, did not come true. There was no change of the policy that had, after all, brought about the latest resolution of the Security Council aiming at squeezing us into a hostile Croatia against our will. The introduction to that resolution was, however, an unacceptable approach to the negotiations by the Krajina delegation. At the meeting I personally discussed all the negative aspects of such an approach, but no one would listen to me, or rather no one wanted to listen.

Position Is Ever Worse

[Radulovic] Are elections the key to the revival of the authentic Krajina policy or is it already too late for anything, given the latest Security Council resolution?

[Babic] The discussions on elections and the authorities in the conditions of war are really inappropriate. The majority of people rightly think that the protection of life is a priority. Another priority, however, is presenting the interests of those who fight for survival, for their lives, and the lives of their families. The real presentation of the interests of those people can be achieved only by appointing people through democratic elections. Presently, we are shackled from all sides by the war, by the resolutions, by the deterioration taking place in all the Serbian territories. Each resolution, each day that has passed since Resolution 743 (the Vance plan) was adopted were steps backward for us and for our interests. We must stop going backward, and save whatever we can. Given such grounds, we in Krajina should search for a consensus among all the influential people who are aware of their responsibilities.

[Radulovic] You have not been known to make such gloomy forecasts before.

[Babic] I have just said that we are in a worse and worse position with every successive day while the destiny of Krajina has been decided upon by those who do not have either the sense of responsibility or the sense needed to comprehend the real state of affairs in Krajina. Nevertheless, I expect that by constituting a new government one would at least try to create the conditions for establishing peace and saving lives. The problem for us, however, is that the Krajina government does not actually hold real political power. Nevertheless, overcoming such a situation, achievement Serbian national interests, and constituting society according to democratic principles regardless of the difficulty of the situation is not impossible to accomplish. It is as realistic as far as the Serbian people are a reality in the world.

[Box, p.3]

Relations With Martic

[Radulovic] After the changes in the government of the RSK, generating open divisions, Milan Martic, minister of internal affairs, was quite occupied with politics. He even referred to you in his statements, giving you support , although only after all the attacks by the people who remain in power. Is there any cooling of relations between you and Martic, or perhaps there has never been any reconciliation?

[Babic] There have been no conflicts between me and Martic, not even in the past. Both of us, each in his own way, have been contributing to the search for a way out of the difficult situation in which Krajina finds itself. Everyone will probably remain in his own place in the future.

[Box, p3]

Regional Divisions in the RSK Assembly

[Babic] The assembly of the RSK is organized in such a way that two-thirds of the population of the SO Krajina, popularly called the krajina of Knin, are represented by only one-third of the representatives in the RSK assembly, so even at the voting in Beli Manastir it was obvious that a regional division exists. In fact the assembly representatives were, for the most part, not elected by the people. One part of the assembly, comprising the representatives from the Serbian region of Krajina (former Serbian autonomous region of Krajina), is represented by delegations from municipalities. The other part of the assembly, made up of representatives from western Slavonia, exists, but the criteria for electing their representatives is not known. To be more absurd still, Croatian authority has been established in the majority of municipalities represented, people are displaced and most of them live in Serbia now. Finally, the third part of the assembly, relating to eastern Slavonia, Baranja, and western Srem, is composed of representatives of the revolutionary authorities that were established there during the war. All this means that the assembly is not actually an authentic aspiration of the people although it is the only organ, the only institution that has the right to make legal acts. The decision on conducting the elections, made in September, is the best decision and its realization is the only possible way of overcoming such a form of parliamentary representation by making the assembly a real democratic institution, elected by the people.

Iranian Assembly Delegation Arrives on 2-Day Visit

LD0904125093 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 9 Apr 93

[Text] A delegation of the Islamic Republic of Iran led by Majles [parliament] Speaker Nateq-Nuri has arrived by special airplane in Zagreb. Croatian-Iranian parliamentary talks between delegations led by Croatian Assembly Speaker Stipe Mesic and Nateq-Nuri have begun in the Croatian Assembly. We have learned from well informed sources that the Iranian guests are particularly interested in the political situation on the territory of former Yugoslavia and in the possibility of resolving the crisis as soon as possible. They also spoke about the comprehensive development of relations between the two countries for which numerous conditions exist.

During the visit by the Iranian delegation to Croatia, a memorandum on economic cooperation between the two countries is expected to be signed. In the course of his two-day visit to Croatia, the prominent guest is to meet Croatian Assembly Speaker Stipe Mesic, Croatian Prime Minister Nikica Valentic, and he will also be received by Croatian President Dr. Franjo Tudjman.

Former RSK Minister on Belgrade Hegemony

93BA0795A Ljubljana DELO in Slovene 22 Mar 93 p 5

[Interview with former RSK Defense Minister Stojan Spanovic by Kresimir Meler and Mirjana Glusac; place and date not given: "Who Is the Real Authority in the Serbian Krajina?"]

[Text] *Stojan Spanovic is the first victim of the settling of scores in the leadership of the RSK [Republic of Serbian Krajina]. When we spoke at the military base in Plaski, he had already been removed. Zdravko Zecevic was appointed in his place.*

[Meler] Why were you and a group of ministers dismissed?

[Spanovic] In view of the way in which I and several others were removed, we could say instead that it was a military coup and not a democratic procedure. On the same day, Arkan and his men simply surrounded all the state institutions in Knin, broke into the government

building, and locked all of us up in it. It was not long before he appeared before me in full combat equipment. He was accompanied by Slobodan Tarbuk, Nedeljko Boskovic, Vuk Obradovic, and Vladimir Trifunovic, who were sent from Belgrade by Milosevic. Arkan immediately said that half an hour before, Milosevic had ordered him by telephone to remove all those who were guilty of losing Serbian territories, by force if necessary. In the meantime, Goran Hadzic, along with his right hand Mile Paspalj, kept quiet the whole time. Although he ordered the evacuation of the population and the withdrawal of the forces from the Maslenica area, he has now shifted the entire blame for it on me, Milan Martic, and Mile Novakovic. According to him, we allowed many Croatian intelligence agents to infiltrate our ranks, who were betraying the positions and military plans of the Serbian forces. Knin television director Milan Grkovic was also accused of cooperation with the Croatian forces and even spying for them. He was also arrested the same day.

[Meler] Who could have ordered that?

[Spanovic] The very idea that Arkan could have done anything like that on his own account is ridiculous. Likewise, neither Vuk Obradovic nor anyone else among those who came from Belgrade could have done it without Milosevic's consent. Milosevic, in fact, is the one who decides on the fate of people in the Krajina, but all those who think that he sold out the Krajina are wrong. It is true that he sold it out, but only the people who live there and whom he has already been manipulating for three years.

[Meler] Who is the real authority in the Krajina, then?

[Spanovic] Formally, Goran Hadzic, but he is backed by the military leadership in Belgrade, which in turn obeys Milosevic. You ought to have seen those scenes: Zivota Panic, chief of the General Staff, instead of reporting to Cosic, goes to Milosevic's office and brings reports to Defense Minister Negovanovic or his adviser Miroslav Lazanski. A general obeys a civilian, and moreover a former communist journalist. The only generals who can even reach Milosevic are Marko Negovanovic, Radenko Radinovic, Milorad Dragojevic, Nedeljko Boskovic, and Ratko Mladic. Bozidar Stevanovic, Arkan, and Seselj enjoy special privileges, and can go see Milosevic anytime, day or night. Once I was present when Arkan yelled at Panic so much that the latter was white as a sheet. In general, every step or action by either Arkan or the generals is approved by Milosevic.

[Meler] Who ordered the ethnic cleansing?

[Spanovic] Milosevic, of course. I have a document with his signature and it clearly states that the size of the non-Serbian population in the Krajinas should be reduced to the absolute minimum. We protected the remaining Croats in the RSK as much as we could. There are too few of us, however, to control the entire territory. We investigated some crimes committed by our soldiers and punished the guilty parties. Those were crimes in Biskupija, Skabrnje, and another two or three villages, and they happened as a result of robbery or revenge. The volunteers of Captain Dragan, Arkan, and Dusan Bandic are a considerably worse problem. They kill for fun, and we cannot do anything to them. When Arkan's units came after the action near Maslenica, Milan Martic and I both ordered the army and police to protect the remaining Croats. That we really acted that way is also shown by the fact that conflicts broke out between our forces and the ones that were brought in, in which a lot of people died. Then Vuk Obradovic said that the expulsion had been categorically ordered from the top. We were powerless.

[Meler] In your opinion, how will the situation in the RSK develop?

[Spanovic] I think that our people will be able to separate the wheat from the chaff and that they will oppose Belgrade, which wants to assimilate everything that it can. If we do have to choose between an imposed leadership from Belgrade or from Zagreb, then there is no big difference, since Milosevic and Tudjman have both been in favor of war since the very first day. Both the Serbs and the Croats have been betrayed. Before the first elections in Croatia Milosevic, through the Knin branch of Jugobanka and some people from Zagreb, organized militant groups under the leadership of Sergije Veselinovic, Jovo Dopudja, and Dusan Zelenbaba. In the army, Zivota Avramovic, Ratko Mladic, and Mensur Sakotic were used for communications. It was precisely because of Tudjman's obstinacy that they caused incidents without any difficulty, and we know what the consequences were like—thousands of dead on both sides, just in order to prove to each other who was stronger and smarter. The Croatian and Serbian peoples should think thoroughly about this.

Serbian Signatories of Daruvar Agreement Interviewed

93BA0792A Belgrade BORBA in Serbo-Croatian 11 Mar 93 p 12

[Interview with Veljko Dzakula, former deputy prime minister of the Serbian Republic Krajina, and Dusan Ecimovic, former information minister in that government, by Snezana Pokrajac Stamatovic; place and date not given: "'We Wanted To Resolve Practical Issues Peaceably'"]

[Text] On 18 February, through the good offices of the UNPROFOR [UN Protection Force], Ivan Milas, Croatian deputy prime minister, and envoys of the Croatian Government, on the one hand, talked to Veljko Dzakula, former deputy prime minister of the RSK [Serbian Republic Krajina], and Dusan Ecimovic, former RSK information minister, on the other. An agreement was signed which has been harshly condemned by the leading figures of the RSK, who have called it a "traitorous act." Speculations about a secret agreement have also cropped up in the Croatian media.

What do the negotiators on the Serbian side say about everything that happened in Daruvar?

Responding to the stories and what has been written in the Croatian press to the effect that immediately after the negotiations "the most radical Serbs in Okucani" attempted to assassinate Dzakula and Ecimovic, Veljko Dzakula, former RSK deputy prime minister, said "Here we are, alive and well," and went on to tell BORBA:

"In all previous discussions in Western Slavonia with representatives of the UNPROFOR, we have agreed to begin with specific things in the field, to repair the infrastructure and make it possible for the Serbian people to return to all the Serbian villages in Pakrac Opstina, so that people might begin to make their living again and cultivate the land. More than 2,000 Serbs have applied to return, and we agreed that 50 Croats could come and cultivate their vineyards above Pakrac. That is why there was a contact at Daruvar on the suggestion of General Nambiar. Mr. Ecimovic and I were present at that meeting in front of the Assembly of Western Slavonia, because it appointed us to negotiate and sign the documents which we were to present to the Assembly before verification.

"It was agreed at the meeting that repairs of the infrastructure should begin, repairs of telecommunications, transportation facilities, railroads, and highways, and to allow displaced persons from both sides to return to their homes. That was the essence of the agreement, and joint commissions are created that will make the preparations and oversee everything that was agreed.

"It is very important," Dzakula went on to say, "that we agreed to resolve all disputes peaceably. We were also given promises that all the Serbian villages in the Vocin-Slatina region, which is not under UNPROFOR protection, would be bypassed and this would be completed by 4 March. But it all came to a halt, because an unprecedented witch-hunt began against those of us who signed the agreement; it has been almost like a lynching party."

[Stamatovic] The RSK leadership has accused you of treason.

[Dzakula] That was not a secret agreement or treasonous act at all. Goran Hadzic, Mile Paspalj, Mr. Ecimovic, and I—we all have derived legitimacy and legality. No one elected Hadzic and Paspalj, nor us either, in free democratic elections. Our legitimacy is derived in the course of this war as representatives of particular territories and regions. In the Assembly in Borovo Selo in February of last year, we made one assembly out of three assemblies and three regions, one government out of three governments. I repeat once again: In Daruvar, we were not concerned with political issues. We only wanted through negotiations to return as Serbs to the areas we lost. Few of those people know how much the Western Slavonians have been suffering and are still scattered all over Yugoslavia. The worst thing that is happening is that those people are beginning to go back on their own to Daruvar, Pakrac, and Grubisno Polje. They have diminished status because they are not going in an organized way, and the impression is given that they now accept Croatian authority, which in certain areas is in place.

[Stamatovic] Many people consider the agreement just signed in Daruvar a sign of your acceptance of Croatian authority.

[Dzakula] That is a wrong interpretation. This is a region under UN protection, and we know that the Vance Plan allows the return of displaced persons and the search for political solutions. Whatever the political solution is for the RSK as a whole will also apply to Western Slavonia, and no individual, nor group, nor even parliament can sign a political solution. It is the people that will seek and accept those conditions under which they want to live. And we must make it possible for the people to return as soon as possible to their homes and show an interest in particular areas.

[Stamatovic] Should you have consulted representatives of the present Krajina government?

[Dzakula] We did not consider that necessary, because we were not talking about political issues. We signed nothing to give the limited-access highway to Croatia, but we did talk about the possibility of opening it when the conditions are brought about for that.

[Stamatovic] The RSK leadership has made an accusation against you to the effect that Croatia offered you 200 million German marks as loyal Serbian negotiators.

[Ecimovic] It is evident that those who probably have quite a few marks in their pockets find it easy to bandy about these figures and to impute to us that we received that money. If I had that money, I certainly would not invest it in smuggling and buying and selling petroleum and the other things that are now flourishing in Krajina.

[Stamatovic] Let us get back to the talks in Daruvar. Was this nevertheless a secret meeting?

[Ecimovic] The document which we signed there is not in dispute at all, because it brings about conditions for renewing the supply of electric power and water on the territory of the former Daruvar, Grubisno Polje, Novska, Pakrac, and Nova Gradiska Opstinas. Those are areas under UNPROFOR protection at the moment. As for secrecy, it was actually the mediators of the UNPROFOR who proposed that this meeting be internal in nature and immediately be made public, but that it be announced after the fact as our contribution to the Geneva agreements. However, the Croatian side broke that up, and later interpreted the agreement in an ugly way through the Croatian news media, which is why there was the witch-hunt against us, but we had nothing but goodwill to peaceably resolve certain practical matters of life. Although we know how much hatred there is on both sides, the meeting was full of tolerance. Neither

Croatian statehood nor Croatian sovereignty was mentioned in a single gesture, but we only wanted to find a way to get certain technical things done.

[Box, p 12]

Differing Serbian Interests

[Dzakula] The essence of the problem is this. Interests in the Serbian Republic Krajina are not exactly unified when it comes to the Vance Plan. Western Slavonia, after all, has an interest in the Vance Plan being carried out as soon and as rapidly as possible, while the other areas, especially the southern sector of Krajina, do not want to go at that pace, because they also failed the problem of the return of their displaced persons, and for the present that is obviously difficult to accept: Both for Croatia for us to return to certain Serbian areas and for our people to accept Croats returning to their homes.

I think that the main reason I was removed from my post as deputy prime minister was really that I favored the return of Serbian refugees to Western Slavonia. That was viewed with suspicion by Zdravko Zecevic, RSK prime minister, because he, in my opinion, is afraid of the return of Croats to his areas if the Serbs return to Western Slavonia.

I do not favor any kind of life together in the Croatian state, but I am not in favor of ethnic cleansing. I cannot drive from Western Slavonia all those who are not Serbs. My basic desire was for the Serbian people to return to the homes of its ancestors in Western Slavonia.

[Box, p 12]

Democracy With Its Finger on the Trigger

[Ecimovic] As for the opposed political options between the southern part of Krajina and Western Slavonia, I think that those two areas have a differing profile in the leadership of the SDS [Serbian Democratic Party]. Whereas we are the original, authentic, and democratic line favored by the late Professor Raskovic, in other sectors people favor a democracy with its finger on the trigger and its eye on the sights, and that is the essential difference. From the beginning, we have been in favor of entering the struggle through European institutions and resolving the Serbian nationality issue as a democratic issue, not as a minority issue, or an issue which should be decided by war. We must be realistic and we cannot seek the impossible. Up to now we have mainly been saying what we are against, but when it has come to defining what we are committed to, we have always come up short.

G-24 Assesses Country's Economy Favorably

93BA0744F Ljubljana DELO in Slovene 5 Mar 93 p 6

[Article by Stojan Zitko: "A Good Assessment for Slovenia"]

[Text] *Slovenia's representatives presented our economic situation in Brussels; support from international financial institutions and the G-24 members; new contacts.*

From our correspondent.

Brussels, 4 Mar—The Group of 24 OECD [Organization for Economic Cooperation and Development] (the so-called G-24), together with several international financial institutions, assessed the economic situation in Slovenia very favorably, and especially its economic policy. That can be concluded from the "presentation" meeting in Brussels where Slovenia's representatives showed what is happening in our state at this time and in which areas we expect assistance from this group. Since last year, Slovenia has been the only former Yugoslav republic already included in the PHARE [Poland-Hungary Assistance in Restructuring Economies] within the G-24 framework, intended for technical assistance to the former socialist states.

This was the first meeting in which representatives of the Slovene Embassy and the Ministry of Economic Relations and Development participated on behalf of Slovenia; on the other side, there were representatives of the governments of the above-mentioned 24 states, and the IMF, the World Bank, the European Bank for Reconstruction and Development, and the European Investment Bank. As we were able to find out after the meeting, the Slovene participants (Dr. Cizelj, Dr. Socan, Hartman) presented the economic situation and development processes in Slovenia, emphasized the political stability in Slovenia, and at the same time, described its special characteristics in comparison with the other states in this region. In connection with this, they emphasized interest in so-called technical assistance, which would still help Slovenia, even though it is a relatively more developed state, to achieve several goals more quickly. Also discussed was the technical assistance that Slovenia had already received to date through inclusion in the PHARE program, and of course, further programs in this area.

The meeting, which was headed by Herman de Lange, the G-24 coordinator in Brussels, was obviously well-prepared, and thus the Slovene participants could be very satisfied, emphasized Ambassador Dr. Boris Cizelj; he added that effectively they had already agreed that a similar meeting could also be held possibly this year in Slovenia. The great interest in our state is confirmed by the very fact that all those invited, so to speak, participated in the meeting. It is encouraging that representatives of the above-mentioned international financial institutions also participated very actively; they positively assessed Slovenia's achievements, and were only somewhat more critical of the Slovene balance-of-payments surplus, saying that it was a consequence of a decline in production. They thought that Slovenia should be guaranteed loans for restructuring, since otherwise it would not have enough money for it.

As these talks confirmed, international financial institutions view Slovenia favorably, and so it is no surprise that there is also agreement within the framework of the OECD states that at the next meeting, expected to be in Slovenia, the specific problems of the Slovene economy should be discussed. The G-24 representatives have already announced that on that occasion they will also try to ensure the participation of some large foreign firms which are displaying interest in investments in Slovenia.

Government Adopts 1993 Budget Draft

93BA0794A Ljubljana DELO in Slovene 17 Mar 93 p 1

[Article by Marjeta Sostaric: "Draft Budget Finally Just Adopted"]

[Text] *The budget's basic starting points have remained unchanged, Mitja Gaspari said; the state debt amounts to $4.3 billion.*

Ljubljana, 16 Mar—At last night's meeting, the Slovene Government finally adopted a draft budget, and at the same time, a draft of the new budget law as well. The budget's basic starting points have remained unchanged, which means that the current budget expenditures this year are to be within the framework of the 291 billion tolars that have already been projected for quite a while, with the current budget deficit amounting to 21 billion tolars. As Finance Minister Mitja Gaspari stated at today's press conference, the whole discussion proceeded within the framework of this overall limit.

The basic starting points of the budget thus remained unchanged: the priority tasks remain the financial rehabilitation of banks and enterprises, in connection with immediate privatization where possible; and the continuation, to the extent that is realistic within the given possibilities, of the policy of protecting Slovene citizen's social standard of living. According to Gaspari, all other purposes within the budget are to be subordinated to these basic goals, "while proceeding from several objective circumstances that mar the entire picture of the budget." The total share of spending by the public sector is thus being increased from the planned 47.8 percent to 48.9 percent.

In spite of everything, the budget itself will not be outside the planned framework. The public sector's revenues, which represent a cost of business for enterprises, are being reduced from 47.5 to 47.1 percent. As Minister Gaspari emphasized, this primarily involves a reduction in tax revenues from 44.9 to 44.2 percent, whereas nontax revenues are being somewhat increased, and social security contributions are being reduced from 23 to 22.1 percent, primarily as a result of a reduction in the health insurance contribution. In pension insurance,

the burden is being increased by a higher contribution rate, and revenues from that source are increasing from 12.7 to 13.2 percent.

With a 1.8 percent current budget deficit, i.e., 2.6 percent of the total budget deficit (including net repayments of foreign loans), we are to touch the upper limit that would still be tolerable while conducting other policies in the area of economic policy.

The basic characteristics of the draft budget are: for wages, contributions, and incomes we are to spend 64 billion tolars, or 9.5 percent more in real terms than last year, material and other expenditures are to be one-tenth higher, the amount of funds for defense is being reduced in real terms by 14 percent, the share of budget money for social transfers is being increased in real terms by 29 percent, 15 percent less money is to be spent for public services, 20 percent less money is to be spent for paying guarantees, and the same amount for paying subsidies as well, expenditures for interest payments are to increase by 240 percent, and the municipalities are to receive about 8 percent less money. Investment outlays will increase; this also took into account the investments on which Slovenia is negotiating with the European Development Bank (the construction of roads in Prekmurje, and the renovation of the railroad infrastructure and the Drava power plants).

[Box, p 1]

Upon the presentation of the draft budget that the government is sending to the State Assembly, we heard for the first time that Slovenia's state debt amounts to US$4.3 billion—somewhat more than 36 percent of the estimated gross domestic product.

Expert Commissions Discuss Border Issues

93BA0794B Ljubljana DELO in Slovene 17 Mar 93 p 1

[Article by Joze Slichal and STA: "The Croatian-Slovene Border Is Divided Into 11 Sectors"]

[Text] *The commissions for defining the border met in Zagreb, and Ministers Puhar and Juras met in Otocec.*

Zagreb, Otocec, 16 Mar—A group of Croatian and Slovene experts for defining the Slovene-Croatian state border, which is headed by Vladimir Ibler on the Croatian side and Borut Bohte on the Slovene side, finished its work today in Zagreb. The experts in the groups do not have the authority to make decisions, but are merely making proposals and determining the facts on the basis of historical and other characteristics.

The 536 km of the border are divided into 11 sectors, and a few days ago they started work on five sectors. They designated the ambiguities that are occurring in the Varazdin, Cakovec, Ivanec, and Krapina municipalities. We learned from the meager reports (the members of the expert groups do not like to talk about their work) and for the time being there are minor differences in determining the demarcation line, specifically by only 50 to 100 meters.

Ibler said that in principle they had also raised the issue of the border in the Piran Bay, and Bohte said that they deal with this issue very generally, but that the Slovene side was insisting on the entireness of the bay. They also spoke about Trdin Vrh, and the Croatian side expressed the opinion that there was not even any dispute over Sveta Gera, as they call Trdin Vrh, since they had received assurances from high-level Slovene politicians that the Slovenes would abandon the disputed facility. No one on the Slovene side could confirm this for us, not even Ambassador Matija Malesic. The expert group's next meeting is expected to be on 14 April in Slovenia.

Slovene Minister of Labor, Family, and Social Affairs Jozica Puhar and her Croatian counterpart, Josip Juras, talked today in Otocec about unresolved issues between the two states. As Puhar said, they talked about concluding a bilateral convention on social insurance, primarily in the area of pension and disability insurance, and various forms of protection. The two states are also preparing an agreement on exercising the rights of military veterans and victims of the war, and likewise on regulating cemeteries.

"Along with all of this, we also talked about deadlines," the Minister said. "The convention could be prepared at the end of April, since the Croatian side brought a draft of it today, and it could already be adopted in the middle of the year." Her Croatian counterpart Josip Juras said that the Croatians signed a convention on social insurance a few days ago with Austria, and signing a convention with Slovenia is equally important. The Croatian side also proposed a special agreement on those workers who drive to work in the neighboring state every day.

Puhar pointed out that before the tourist season, refugees were beginning to move from Croatian hotels to vacation homes, including those of Slovene organizations. The Slovene side is urging that they must reach an agreement with the owners about this, and Croatia should first of all state what the real needs are. In any case, it is necessary to protect the owners' interests. Juras added that the needs were great, since there were now 500,000 Bosnian refugees in Croatia, and new ones were still arriving.

Government Adopts Resolution on National Security

93BA0794F Ljubljana DELO in Slovene 18 Mar 93 p 2

[Article by Marko Jakopec: "The Resolution No Longer Talks About Armed Neutrality"]

[Text] *The revised text introduces two essential changes; cooperation of four ministries; the defense minister's responsibility in light of this year's budget.*

Ljubljana, 17 Mar—"The resolution on the starting points for the national security plan, which was also

adopted without discussion by the Slovene Government at its Monday meeting, is a basis for ensuring the comprehensive security of Slovenia, and at the same time it sets guidelines for formulating laws in this area, which should be coordinated by the end of this year with the basic constitutional provisions," Slovene Defense Minister Janez Jansa said at today's press conference.

The minister explained that this was a revised text of the resolution that was adopted by the Slovene Republic Presidency within the framework of the previous state. As he emphasized, it actually only introduces two really essential changes. The first is that the authority for defense is transferred from the state presidency to the government, and the other defines Slovenia's international activity in ensuring comprehensive security. Jansa said that the resolution no longer spoke about armed neutrality, and instead introduced starting points that also formally allowed our state to assume all defensive and military tasks and obligations arising from its membership in various international and intergovernmental political associations. He added that the text of the resolution was not completely prepared by the Defense Ministry, which in fact only coordinated the work of that ministry, the Foreign Ministry, the Interior Ministry, and the Justice Ministry. The general goal of national security is to ensure the greatest possible security, protection, and defense of the autonomy, independence, and territorial integrity of the Republic of Slovenia, its constitutional order, the rights and freedoms of citizens, property, and peaceful and balanced cultural, social, and economic development, and other vital state interests.

Minister Jansa explained the contents of the resolution in somewhat more detail, and said that one of its sections defined the possible sources of threats; in this regard, he mentioned the general crisis in the former Yugoslavia, the possible threat because of defining the borders, and the crisis centers in East Europe. Among the sources of threats to state security, the resolution also talks about a possible violent change of the constitutional order, possible foreign terrorism, and the growth of crime in Slovenia, and also provides for completely new and previously undiscovered and unidentified forms of a threat. According to Jansa, the resolution also deals with other forms of a threat to security, including environmental pollution, large-scale natural and technological disasters, and the possible consequences of the use of nuclear and chemical weapons. He also spoke about the military and civilian parts of the defense system, and in this regard he mentioned that one of the systemic laws in this area, which was to be prepared by the end of this year, would eliminate the name "Territorial Defense" and legalize the name "Slovene Army" for Slovenia's armed forces.

He also spoke about the budget, and said that in real terms, the funds allocated were 14 percent less than last year. He emphasized that the amount allocated for the Defense Ministry, 1.6 percent of the gross national income, was already, in a way, by far the lowest figure in Europe; if we take into account the fact that we are just building a system for comprehensive national security here, it is even very questionable. Jansa said that because there was so little money this year, it would not be possible at all to fulfill some of the Defense Ministry's plans, including completion of a communications system and defense at sea, and control of the air space and the purchase of anti-armor weapons. According to him, there would only be enough money to carry out a minimal amount of regular defense training and to form a small reserve force, and there would by no means be enough to any major weapons purchases whatsoever. He particularly emphasized that with that budget, the Defense Minister's responsibility for the state's security ceased. "The responsibility will be borne by those who proposed the budget, and, of course, by those who adopted it," he added.

Janez Jansa also said that representatives of the Slovene and Macedonian Defense Ministries recently met and exchanged experiences. They noted that both states were building a new defense system, and also had similar difficulties in doing so. These difficulties primarily had to do with military experts, the use and transfer of elements of the old system, military education, and similar things. In this regard he said that representatives of the Slovene Defense Ministry would soon meet with counterparts from Croatia as well.

[Box, p 2]

The defense minister also answered a reporter's question about what was actually concealed in Slovenia's request for removal of the UN embargo on imports of military equipment and weapons to the former Yugoslav republics. He said that there were two reasons for this initiative, which the Defense Ministry also participated in formulating. The first is a theoretical one. They would somehow like to separate Slovenia from the other former Yugoslav republics. Specifically, the embargo applies to all of them, regardless of the extent to which they have so far satisfied the conditions for international recognition, and regardless of their actual political and defense situation. The second reason, according to Jansa, is completely practical. The embargo, in fact, also bans the import of equipment that is not related to weapons. The minister mentioned systems for controlling the airspace and communications systems, and emphasized that this was equipment that every state urgently needed for normal operation in peacetime as well.

German Experts To Help Restructure Economy

93BA0795C Ljubljana DNEVNIK in Slovene 19 Mar 93 p 6

[Unattributed article: "Economic Cooperation With Germany"]

[Text] Ljubljana, 19 Mar—A Slovene delegation headed by State Secretary for Foreign Economic Relations Vojka Ravbar paid an official visit to Germany. The delegation met with Dr. Wurzen, a state secretary in the

German Ministry of the Economy, and Dr. Schonfeld from the economic cooperation section in the German Foreign Ministry.

The main subject of the talks was primarily Slovenia's difficulties and proposals in economic cooperation with Germany. Among other things, Vojka Ravbar described economic trends in Slovenia. The German interlocutors, who expressed positive assessments of Slovenia's efforts to strengthen and restructure its economy, said that within the framework of technical assistance to Slovenia, they would send their experts in the areas suggested by the Slovene side.

In the talks, they advocated signing an investment protection agreement as soon as possible; in this regard, the Slovene delegation already provided comments on the German draft agreement. The negotiations on this issue will begin in May in Bonn. The Slovene delegation also pointed out the problem of carrying out Slovene enterprises' investment projects in Germany, and especially the quota for the employment of Slovene workers in that country, and the separation of the assembly of Slovene products from that quota. Representatives of both countries' labor ministries, who will meet in Stuttgart at the end of the month, will also conduct more detailed talks on this problem.

At the meeting in Bonn, there was also a discussion of the problem of the insurance of export credits by the German insurance company Hermes. In this regard, Vojka Ravbar urged including all Slovene banks meeting the necessary conditions, as soon as possible, in the system for insuring export credits through Hermes.

The Slovene delegation also mentioned the problems occurring in the Slovene economy as a result of implementation of the UN resolution banning exports of weapons to the states of the former Yugoslavia, among which Slovenia was also still included. Specifically, as a result of the embargo the issue of export permits in Germany has been tightened up a great deal for products that could be used to produce weapons, but are otherwise used for peaceful purposes. The German side gave assurances that during the period until Slovenia was exempted from these bans, it would try to help in solving specific problems associated with documentation on the end users of the goods.

The Slovene and German representatives also talked about Slovenia's activities concerning joining the EC, in regard to which Slovenia advocated introducing separate quotas and ceilings for exporting goods to the EC countries. At the same time, there was also a discussion of the ban on exporting meat and livestock to the EC countries because of the suspicion of foot-and-mouth disease, which is already being discussed today in Bonn by veterinary experts from both countries.

Jelincic's National Party Holds Congress

93BA0824B Ljubljana DNEVNIK in Slovene 22 Mar 93 p 4

[Article by Jani Alic: "Reviewing the Lists of 'New' Slovenes"]

[Text] *The third congress of Jelincic's Slovene National Party [SNS] was held in the Zemono pri Vipavi mansion; the delegates were firmly against the teaching of Serbo-Croatian and the Foreign Ministry's irresolute policy.*

Zemono pri Vipavi, 22 Mar—The third congress of (Jelincic's) SNS was held on Saturday in the Zemono pri Vipavi mansion. Almost 100 delegates from all of Slovenia participated in it. The congress itself did not produce anything particularly new. The party's program remains unchanged. The SNS will advocate consolidation of the state and the authorities and of the economic sphere, an inventory of events in recent decades, a reduction of costs in the area of labor and social welfare, a decrease in the issue of work visas to foreigners, an extreme restriction on foreign citizenship....

Many critical comments were directed at the foreign minister and the settlement of the situation on the southern border with Croatia and the western one with Italy. With respect to the resignation of six members from the party and the establishment of the so-called Stanic SNS, Zmago Jelincic thought that the extremists who disgraced the party had left.

Regarding the border with Croatia, the SNS president thought that Slovene diplomacy had to advocate the position that the border is on the Mirna River, and not on the Dragonja. In fact, all the historical documents are proof of this. "Slovene diplomacy is closing its eyes and keeping silent. The Croats are cutting down trees on our side, but the Slovene police are dealing with illegal construction on Mali Vrhek. Our party has prepared several laws. We will also propose to parliament a law on the comprehensive protection of Slovenes in Italy. The best laws in Europe, however, apply to the Italian and Hungarian minorities here. The Italians want to take away all the Slovenes' rights, and furthermore they acquired Benecija by trickery. They are trying to destroy the indigenous Slovene population. Our party will not permit this. We will need help from other parties, however. It will thus be shown once again who is for Slovenia and who is against it." Zmago Jelincic also added that Europe needs us, since it needs an intermediate territory between the burning Balkans and idyllic Europe. If we are Europe's bulwark against the Balkans, the SNS president said, then Europe has to pay for it!

When the delegates talked about education, all of them in turn thought that the teaching of Serbo-Croatian should be eliminated, and that at the same time it was necessary to protect those students who were already boycotting the instruction of this mandatory subject. Individuals also advocated a moratorium on selling land and real estate to Germans, even if they are Slovene

citizens; the Celje regional committee presented an initiative to establish a Slovene young national front; some people demanded withdrawal of the law on denationalization; others demanded that the Slovene army and police be purged of "southerners," and a delegate from Ljubljana thought that there was too much of the "church" on Slovene TV. Lojze Stanic from Kocevje said that the refugees were becoming "nonreturnable people," and that we in Slovenia were not thinking about this. A delegate from Ptuj also added that there were many non-Slovenes, who had acquired citizenship, in key positions in municipalities and enterprises. It was also agreed at the congress that the SNS would start issuing its own publication. This time there were no elections in Zemono.

[Box, p 4]

Difficulties With the Border

"Settling the difficulties in connection with the border with Italy will not be as problematic as with Croatia," Zmago Jelincic thought. He said that our diplomats were calmly flirting with the Croats, and hoping that they would give them a plaque in the Zagreb cathedral with the inscription "Lojze was here...."

[Box, p 4]

Only Two Guests

Two guests also attended the SNS congress, namely Borut Pahor [Party of Democratic Reform] and Matevz Benedicic [Slovene Craft-Entrepreneurial Party]. Borut Pahor said, among other things, that there were differences among the parties, and moreover important ones, and that this was precisely the guarantee that we Slovenes could emerge from the crisis. Matevz Benedicic also thought that the parties showed diversity, but that they reached agreement when Slovenia's welfare was concerned. The Liberal Democratic Party "only" sent a welcoming telegram.

Federal

Karadzic, Churkin Comment on Talks

AU0804160593 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 8 Apr 93

[Text] The talks in Belgrade between Vitaliy Churkin, deputy foreign minister of the Russian Federation, and Radovan Karadzic, Serbian republic [in Bosnia-Herzegovina] president, have ended. In their statements to reporters, Churkin and Karadzic said that there were some positive indications that a political solution to the crisis in Bosnia-Herzegovina could be achieved through the continuation of the negotiating process. Jelena Vidic reports:

[Begin recording] [Vidic] Vitaliy Churkin stated that the two-day talks with President Karadzic gave hope that the negotiating process would be continued:

[Churkin, in English with superimposed translation into Serbo-Croatian] This has been a very intensive consultative process. I believe that the negotiating process will continue and that it is useful to continue talks and our efforts aimed at finding a political settlement in Bosnia.

[Vidic] Churkin informed reporters that he will travel to Washington from Belgrade and then to New York where he will meet cochairmen Vance and Owen. Additional consultations in several European capitals are also planned. Churkin did not directly answer the question whether he brought any concrete proposals for Karadzic, but he was of the opinion that chances exist to keep the development of the situation within the political framework and in this way avoid the worst possible solutions.

He also stressed the importance of preserving the cease-fire and creating the best possible conditions for continuing the UN delivery of humanitarian aid.

Karadzic reiterated the readiness of the Serbian side to continue negotiations until the final solution to the Bosnian crisis is reached, and announced that a letter will be sent to cochairmen Vance and Owen that will confirm this readiness. Speaking of the talks with Churkin, he said that the same problems, in different aspects, were discussed in all meetings. I believe that Mr. Churkin and [Greek Prime Minister] Mitsotakis could be convinced that peace and cease-fire, which should last until the final solution is found, come first for the Serbs. When asked whether the maps were discussed, he answered that all issues were discussed, including the maps. He added that he is more optimistic after these talks. In this context Karadzic mentioned the statement by U.S. State Secretary Warren Christopher, commenting that because the Croats and the Muslims have been satisfied, the choice now was to either press the Serbs or to satisfy them. Since the Serbs do not respond to pressure, they will have to get some sort of satisfaction, Karadzic said.

When asked whether there was any concrete indication about satisfaction of the Serbian demands in the talks with Churkin, Karadzic said: We had the impression that the matter was not closed and that it was possible to discuss everything. Karadzic also spoke of the possibility that a resolution imposing additional sanctions will be adopted. If there are new sanctions, the Serbs will no longer talk to those who are biased and punish them unilaterally. It is not our aim to challenge the UN Security Council and the United States into adopting new sanctions. The international community must finally start acknowledging the Serbian interests, which will in this way be closer to peace, Karadzic assessed. He announced that he would invite Mate Boban [leader of Bosnian Croats] and Alija Izetbegovic [president of the Bosnia-Herzegovina Presidency] for direct talks, and that if the other side in the conflict makes the first step, the Serbs are ready to compromise, too.

[Unidentified reporter] What would be the minimal [word indistinct] toward the Serbs that would satisfy you?

[Karadzic] You must [changes thought] we do not demand all 60 percent of our territory. We are not concerned about the quantity of the territory, but rather the quality and integrity of it, bearing in mind that we live in a hostile environment. It must, therefore, be accepted that the Serbs have the right, since they have [word indistinct], to continuity of these territories. This is fundamental. Also, it must be accepted that the Serbs have natural resources at their disposal that cannot be taken away from them.

[Vidic] For the Serbs in Bosnia, there is no continuity between Bosnia-Herzegovina that is being created in the peace conference and the former Yugoslav Republic of Bosnia-Herzegovina. To us, the new Bosnia is being created from scratch, Karadzic said. He added, however, that there was a possibility that the constitutional solution for the future Bosnia-Herzegovina be sought in a sort of asymmetric federation.

Karadzic announced that the planned trip to Moscow has been postponed to allow the leadership of the Serbs from Bosnia-Herzegovina to concentrate on finding a peaceful solution for the Bosnian crisis as quickly as possible. [end recording]

Foreign Trade Companies Hardest Hit by Sanctions

93BA0819D Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 15 Mar 93 pp 23-25

[Article by Verica Dukanac: "Foreign Trade Companies: Will They Survive?"]

[Text] *The consequences of the embargo are both dreadful and long-term: Do large foreign trade companies even have a chance of surviving? Will the state help them?*

There is no doubt that the heaviest blow from the disintegration of the former Yugoslavia and the imposition of the embargo is being suffered by our foreign trade companies, which achieved more than 90 percent of their revenues in trade with foreign countries or in pure international trade. Especially if one bears in mind that Yugoslav foreign trade, despite the large number of registered firms (both private and state-owned), was largely conducted by way of a relatively small number of major companies, predominantly Serbian and located in Belgrade. For example, more than 12 percent of Yugoslavia's foreign trade in goods in 1989 transpired by way of Genex and its network. The total annual turnover of that giant approached the $7 billion figure. "Inex-Interexport" achieved an annual turnover of more than $5 billion, "Jugometal" nearly $2 billion, "Jugohemija" around 1 billion German marks, the majority of foreign trade in textiles and apparel went through "Centrotextil," and so forth.

Since the Belgrade business gossip in recent weeks has been full of stories about how major foreign trade firms are in fact being threatened by a total system collapse, we sought a response to the question—do these companies have a chance of surviving the misfortune that has befallen them?—from various people. But most of all in interviews with the responsible people at the respective firms: Mr. Bozo Martinovic, the general director of "Jugometal," Mr. Zdravko Malovic, the deputy director of "Inex-Interexport," Mr. Jovan Mileusnic, the general director of "Jugohemija," and Dr. Mladjen Kovacevic, a professor at the School of Economics in Belgrade.

Decades of Boom

None of the people with whom we spoke hides his sorrow over the economic crime that has interrupted their decades of booming business. They are absolutely helpless, everything depends on political processes, and the consequences are both dreadful and long-term, especially for companies that had serious and long-term deals on the world market. Because for years now some of them had been working outside Yugoslavia on major deals in international trade. "Genex," for example, with a network of branches in more than 70 countries, for years occupied the number-one position among outside foreign-trade companies in the former Soviet Union in terms of volume. Besides "Genex," "Inex-Interexport" too had already entered into major deals on the world market in its own name and for its own account. Just early last year, says Mr. Malovic, we got several projects, each one worth more than $100 million, amid fierce competition. Quite simply, we are increasingly giving up deals based only on commission, because that cannot motivate us enough; wherever there are risks, says Malovic, there are also profits, and people also behave differently when they know that they are responsible for the fate of the company. Unfortunately, all of that has dried up now. Jugohemija too has been extremely hard-hit by the blockade, according to its director, because more than 85 percent of its income came from foreign trade, and all of that was from long-term deals. For the most part this involved ongoing deliveries of intermediate goods in large quantities and volumes that cannot be offset now by smuggling on the occasional truck; those are crumbs that are meaningless to us, says Mileusnic. All of this applies to "Jugometal" as well, which trades in massive materials (copper, aluminum, basic chemical products, and so forth), and its director asserts that "even if it were possible today to smuggle in a truckload or a container of some commodity, an itinerary train like we need is clearly not possible." And the situation is practically such that our market is already hermetically sealed for these massive materials, but they continue to threaten us, says Martinovic.

On the other hand, the foreign partners of our foreign trade companies are mostly major companies in their own countries, or multinationals that are less flexible and have more respect for their governments' policy and about which, they say, there is no discussion: The embargo is here and their policy does not fit in with our ideas about how to skirt it.

Thus, nothing as definitively terrible as the disintegration of Yugoslavia and the embargo has happened to domestic foreign trade companies in the entire postwar history of development. The majority of the major firms, mostly in Belgrade, were formed immediately after the war, either when the state monopoly based on the Soviet model was established, or when it was discontinued around 1948, the year in which "Genex," "Inex-Interexport," "Jugohemija," and other companies were founded. According to Dr. Mladjen Kovacevic, these firms were set up according to the model of major Japanese firms, which had very extensive lines of products and services, which even then were increasingly involved in international trade outside Japan (as with Mitsubishi and others), and which later invested more and more in production as well, thus becoming the strongest exponents of direct Japanese investment abroad. There were advantages at the time, agrees Mr. Mileusnic, because our foreign trade and agent enterprises, formed by resolutions and edicts, were generally headquartered in Belgrade, from where they covered all of Yugoslavia. And for a long time after that all imports and exports went through those firms. Even the doubling of the number of foreign trade firms during the economic reform (in 1965), when the famous Law on Foreign Trade Business was enacted, the first article of which stated that "the import and export of goods is free," did not rattle the existing companies. It was not until the early 1970's that there were breaches, which were soon used in political breast-beating as an argument for the theory that Serbia was lagging behind and threatened. But the vital and capable firms survived even that. "'Genex' or 'Jugohemija' emerged from the 'Mass Movement' [in Croatia in the 1960's and 1970's] even stronger," says Mr. Mileusnic, "because we maintained almost all our relations." "Inex-Interexport" also found its modus vivendi and, as a true Yugoslav firm, survived the early 1970's when, according to Malovic, there was a breakup of the monopoly in foreign trade and of companies themselves. Even when we were cut off by the

ZUR [Law on Associated Labor] from the property in which we had invested all over Yugoslavia, it was not that terrible, since economic interests prevailed, and we found a way to overcome this through the legal form of the composite enterprise. In that SOUR [composite organization of associated labor], which bore the prefix "Inex," there were more than 25,000 people employed at the time all over Yugoslavia. All enterprises had their own subjectivity, but development mostly went through headquarters, where capital could accumulate, and that was most of all foreign trade. The firms we are talking about also surmounted all the clumsiness of state interference and the virulent post-Constitution legal regulations, when major control over the work of these companies was established (from required consent in the establishment of foreign connections to limitations on the amount of time that their representatives could stay abroad, plus the establishment of numerous additional financial control procedures or legal constraints to associate with production, and so on).

Some experts in the field, including Dr. Kovacevic, are inclined to argue that the foreign trade system at the time was in fact expensive, inefficient, and oversized, that for the most part it lived off of imports, and that there is no doubt that in the early 1970's there were plenty of accumulated abuses in this activity. Naturally, however, it is obvious to everyone that some firms, such as "Genex," for example, as a net exporter, or certain other major companies were in fact standard-bearers of domestic development, and that they themselves developed into true international firms.

The first and most efficient blow to the development of this sector was unquestionably dealt by the beginning of the war and the disintegration of the Yugoslav state. "We lost a fantastic amount of property, major real estate, from motels in Djevdjelija to a trading firm in Gorizia, on the Italian border. There were hotels, airplanes, exclusive office space, warehouses, wonders," Mr. Malovic complains. Besides the blockade, "Jugohemija" suffered its greatest damage from the disintegration of Yugoslavia, because, as Mr. Mileusnic says, it had much more turnover in Slovenia and Croatia than in Serbia. And it was the sale of goods and services. For example, Slovene secession alone resulted in a loss of 4 million German marks in net proceeds for "Jugohemija," and the loss from Croatia was even greater. Thus, it is not true that the Slovenes only exploited us; we too did business with them and earned money in Slovenia, says Mileusnic. Besides business, Jugohemija also lost a lot of property: more than 6,000 square meters of office space and a modern warehouse in the center of Zagreb, somewhat less in Slovenia, Sarajevo, Skopje, etc. It is hard to even guess at the proportions of "Genex's" losses, especially its "Jugoturs," aviation, and other companies.

Art of Adjustment

A general question that was often raised before the war was what factor was actually most responsible for this boom in the foreign trade sector. And to what extent was it in a somewhat more favorable position in relation to other activities during the period of the second Yugoslavia. From the regime's viewpoint, it was easier to get income here, Mr. Mileusnic admits, and there was also a select group of people in daily contact with the world, while a good professional, they say here, found it easier to express himself, and the companies made it a point not to miss out on such people.

But sometime before the end of the 1980's, when there was a rapid development of private enterprise in this sector, these same people began to leave the big companies, taking their business and clients with them. And they often opened companies based on members of their family and shifted part of the expenses of their private business to state firms. For example, "Rapid" had to close its Berlin office because it was abandoned by the two people who worked there. And that is not an isolated case. But under pressure from the private competition on the one hand and from new business conditions, especially on Eastern European markets, on the other hand, the big firms too began to rationalize their networks abroad and cut back on the expenses of their parent companies inside the country. However, this rather peaceful adjustment was cut short by the war and embargo. Thus, the foreign network found itself in the same situation as the parent companies, because they were sized and adjusted to the demands and needs of the Yugoslav market (aside from "Genex" and "Inex" companies, which were already trading on the East-West circuit). Admittedly, the foreign firms and branches of other companies are now either ceasing to exist or reregistering for new business and local trade. But in recent months they have been under close observation and control, especially in Western countries. All of them are noted as firms that could violate the sanctions, and in the EC their every move is watched, from telephone conversations and faxes to the continual presence of the regular and financial police, and so forth. For the most part, the parent firms have all begun the socialization of these blows: People are sent on (still decent) paid vacation, the work week is shortened, all responsibility has been somewhat decentralized to smaller units, and efforts are made to survive through domestic trade and additional activities (tourism, own agencies are being set up in various areas)—quite simply, they are getting by. Indeed, a large share of their current revenues are coming from financial transactions with capital previously earned: "We are all semifinancial institutions now, and that means dinars to marks, marks to goods, or vice versa, which ultimately means," Mr. Mileusnic complains, "that we are doing our own business less and less, but it also means that, at least for now, we have found our modus vivendi." Right now that means genuine small skills as on the classic stock market: Whoever seizes the moment, whoever is better informed, whoever best deciphers tomorrow, can do well in this business. At least according to its director, "Jugometal" too is still "keeping negative factors under control, and with financial transactions we are protecting ourselves and preserving our integrity." And according to Mr. Malovic, short-term currency transactions are currently the most attractive business, and "Inex" is involved in that.

But all of this is a pure struggle to survive, "because even if the sanctions are lifted tomorrow, the question is when we would achieve the same level as when they were imposed," says Mileusnic. Decades of effort have been invested in order to find their place in the sun, to go out into the world with their products and their marks, and now all that is in ruins, and that is dreadful because these consequences are much more serious than the very fact that exporters will function for a year or two at a decimated capacity. Because the dealers who used to work with us have gone to other markets, established new contacts, and they will not leave them for us, says Malovic. Just returning to those markets will cost us dearly.

Will They Survive?

No one today is willing to risk estimating how long all this will last. It all depends on politics and on God, they say. Also noticeable is extreme restraint in speaking more openly about the exertions being made to survive, nor is outside help being sought for now. According to Dr. Kovacevic, the big question is whether these companies will survive, and for him it would simply be extremely damaging if "Genex," "Inex," or some other company were to fail, even though many people today call them the "white elephants" of our economy. Since it is not easy to turn anonymous companies into prestigious ones, Dr. Kovacevic advocates helping these firms to survive. First, the state could learn from experience and apply regulations from Western countries about situations where people leave state companies and continue to work in the same field. In that case, there are various obligations about keeping business secrets, etc. Second, Dr. Kovacevic proposes that the state that finances problematic production (such as machines for stockpiles, which could end up as scrap iron one day) help foreign trade companies to retain at least part of their personnel. And third, if systems such as "Genex," "Inex," and a few others were to disappear, a problem would arise concerning who will engage in barter trade, which will, in all likelihood, be our focus in trade with Russia, Ukraine, and numerous other states, even in the territory of the former Yugoslavia, for some time to come. In that case, our state should set up its own company for such transactions, like the Netherlands or Belgium, Prof. Kovacevic argues.

All in all, even if the major companies do survive, with or without state assistance, and even if the sanctions are lifted, their prospects are no brighter, at least in the domestic context. The decimated economy and the depleted reserves of foreign exchange will influence state policy, which will certainly have to move to limit imports, either through the exchange rate or through direct restrictions. This will certainly reduce the number of private firms especially, which lived on imports up to the middle of last year, but also brought major problems for everyone involved in foreign trade, because it is hard for exports from this Yugoslav economy to be profitable.

Construction Industry Hopes for Government Bailout

93BA0819A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 15 Mar 93 pp 14-15

[Article by R.O. Dragutinovic: "Construction Industry: Facing Greatest Trials"]

[Text] *Because of the fuel shortage, all domestic cement works are idle, and there is not a single sack of cement in reserve; the extent to which "public works" and returning under the auspices of prime issue can alleviate problems.*

Only a few weeks are left until the beginning of the construction season, but the situation in this sector of the economy has never been more serious. The UN sanctions and economic blockade are "all around us," inflation is raging at an alarming pace (in February it was more than 200 percent relative to only one month earlier), domestic accumulation has been nonexistent for some time now, builders are not expected to receive funds from prime issue during the first quarter, and there are also no foreign funds of any kind (there are no foreign loans, nor can money already earned abroad be posted). In this economic situation, it is completely logical that there will be no major construction projects in 1993—expressways, express railroad, housing, industrial workshops, electrical power installations, or works in the agricultural complex. Do we face a "dead spring" for the Serbian and Yugoslav construction industry?

"The situation has never been more serious, but there is no resignation and excessive pessimism," says Milan Djokovic, the president of the Union of Civil Engineers and Technicians of Serbia [SGITS], the technical director of the "EP-NA" Consortium, and the organizer of the recent Yugoslav Builders Day. "At the Yugoslav Builders Day, held in early February in Herceg-Novi, we seriously and carefully analyzed the current situation and agreed on how to neutralize it. In late February, we also had a meeting of the Presidency of the SGITS and adopted the "Herceg-Novi Resolutions." First, we urged the adoption of all laws and ordinances that would ensure that the construction industry again becomes a significant element in the total economy. Second, it is necessary to expand the scope of investment; this can be achieved with the help of 'public works' and by regularly directing prime issue into those programs and projects that will begin to turn a profit in the shortest term. Third, it is necessary to create a ministry of construction, because right now this economic activity is 'scattered' among four different ministries. Builders have always worked and created under difficult conditions, so I believe that we will get by, even under the current conditions. We will try to use our advantages in the most rational way, but we have to have state assistance for

something like that. Only in that way can be survive and create some sort of space for a better future," says Djokovic.

In order to have a successful construction season, it is necessary to secure cement, reinforcing bars, and basic building materials, as well as other materials, of course, but the first three are the most important. However, judging from the start at the four domestic cement works, the situation is dramatic. None of them has begun operations, even though all of them have completed the necessary overhaul and are ready to begin production. And there has been a glut of vacation time. "Popovac" has not been in operation for six months, "Beocin" for more than four months, "Kosjeric" for around two months, and "Sar" for seven months. The reason is the shortage of fuel—masut and gas. Producers no longer have "a single sack" of cement in their reserves, and the installations are idle, which means that there is nothing with which to begin the construction season.

Because of the energy shortage, the situation is identical in the production of other building materials. "Almost all the brickyards and tile plants are idle, and there is very little product left over from last year," says Vlada Denic, the director of SIG, the association of producers of clay building materials. Things are no better with producers of industrial, building and decorative stones, who come together in the Kamergran association.

"We have major plans for this construction season, and gradually we will manage to put them into effect," says Milenko Oljaca, the director of Kamergran. "Our installations are being moved by electric energy, so that we are working somewhat normally, we are quarrying blocks of marble and granite and processing them. The production of stone chips is progressing rather well. However, there are major problems when the produced goods must be transported to the buyer, to the construction site. Buying oil and gasoline on the black market raises production costs enormously, so that the producers from this group are on the brink of endurance."

The extent to which the domestic construction industry will be busy in 1993 depends most of all on securing the funding to build those projects designated by the two republican governments, but also by the federal government. We say "federal" because there are plans for the construction of 8,000 housing units intended for the Armed Forces of Yugoslavia, which would make work for a significant part of the high-rise building trade. For now, the Serbian Department of Roads has secured 1.7 billion dinars for construction and repairs in the transportation network: a continuation of construction of the expressway around Nis in the direction of Leskovac, the formulation of plans and documentation for a route from Leskovac to the Macedonian border, highways in the direction of the Yugoslav-Bulgarian border, as well as regional and local roads in the Nisav, Topla, and Pirot areas. Also remaining are promises to work at an unhindered pace, and that means securing funding, on the Belgrade bypass road, meaning on the bridge over the Sava at Ostruznica and on the other bridges and tunnels along the route of the bypass. Nevertheless, builders place their greatest hope in returning under the auspices of prime issue, from which funding would be directed primarily into housing construction. Last year's experience with this manner of financing housing construction yielded very good results, so that it would be desirable for it to be repeated in 1993. Thanks to money from prime issue, there were 2,174 housing starts in the Belgrade area alone in November and December 1992, which is equal to the number of starts during the 10 previous months combined.

"That was certainly a brilliant move by the state, because not only did the construction industry get working, but also dozens of supporting industries, from metal and wood to textiles," says Misa Ocokoljic, the director of "Napred" Building Enterprise. "That is why it seems to me that builders should be returned to primary industry as soon as possible, i.e., that a mistake has been made by not including us among priority industries and enterprises during the first quarter, and that we should become that in the second one and all others until the end of the year."

Whatever the case, builders will be significantly less busy than in past years, and if they achieve an employment level equivalent to last year's they should be more than satisfied. However, the "inactive" period could be used for intensive preparations and even for implementation of plans in the area of ownership transformation. Privatization in this sector first got moving in the territory of the second Yugoslavia, and judging from the number of private companies and smaller forms of labor, builders are very high on the privatization list. According to the latest statistical data, there are 6,821 enterprises in the construction industry: 3,307 construction companies, 466 in the building materials industry, and 3,048 in planning. According to ownership structure, the situation is this: Social enterprises account for 11.1 percent, mixed ones 5.2, cooperative ones 8.8, while private enterprises account for as much as 74.9 percent. Nevertheless, a number of "economic subjects," and an even higher percentage, functions as a smoke screen, because only 3 to 4 percent of all employees work in the private sector, and social enterprises account for as much as 97 percent of all committed capital. Accordingly, the process of ownership transformation in the construction industry is only just beginning, as in other economic sectors and activities, which can only mean that it is necessary to work much more intensively on these tasks. Especially now when there will not exactly be much work, and also some examples of how this important job should be done.

'Disaster' in Health, Medical Services

93BA0802D Belgrade BORBA in Serbo-Croatian
13-14 Mar 93 p V

[Article by Bahri Cani based on an interview with Dr. Momcilo Babic, secretary for health care in the city of Belgrade; place and date not given: "To the East of Health"]

[Text] The bodies of government have also greatly contributed to the death throes in which the health care service is slowly but surely falling. Aside from them, a high rating on the list of the "responsible" also goes to domestic pharmaceutical manufacturers. Given the total collapse of the drug supply faced by hospitals and other health care institutions in the country, the government must do a much better job of organizing itself.

"The importation of drugs and substances for their production is formally exempted from the embargo. However, supplies for the production of drugs, because of the procedure of obtaining permits which last about two months, are practically impossible to obtain. Thus, the powers that be in the world are forcing us to buy finished drugs. And in most cases we do not have the money," BORBA was told by Dr. Momcilo Babic, health care secretary in the city of Belgrade.

In its effort to obtain foreign exchange and to survive on the market, the Association of the Yugoslav Pharmaceutical Industry makes every delivery of "its" drugs contingent upon payment in advance, even a month in advance. The price is calculated as of the date of delivery. What this amounts to in practice is that the health care service is providing the credit to finance the pharmaceutical industry. Mr. Babic believes that this is simply impossible, because the health care service is unable to finance even itself. That obligation ought to be borne by the state either through primary note issue or by obtaining foreign exchange for raw materials.

Should that demand be honored, prices would have to be corrected by a factor of seven. "The amount of that price would be greater than the total health care fund. This means that the health care service must commit all its available assets just to drugs, which is absurd," Babic says.

In the situation when the health care service is unable to "cover even itself," the question arises of whether market mechanisms can function at all in this sector. The city secretary for health care, because he sees no other possibility, is proposing introduction of a distributed (administered) system of drug supply. There also exists another mechanism: for the public to pay pharmacies the full price, which would mean disaster for them, because most individuals would be unable to obtain treatment. One part of the "distributive system" which Babic is proposing would be manifested in the need to draw up a program whereby the government would purchase a certain number of shares of stock of pharmaceutical producers. In that way, the government would acquire the right of management, correction of certain (unjustified) demands, as well as the planned guidance of the policy governing the purchase and production of drugs.

All that is certain is that if it continues this way, the pharmaceutical industry will go to the edge of the abyss with no realistic possibility of getting back. "The government must not allow our producers to go to ruin. It must, then, provide credit financing for purchases for this industry, even by activating foreign exchange reserves from the state budget if necessary," Momcilo Babic recommends.

The behavior of the World Health Organization is also incomprehensible; government representatives have expected of it a much greater contribution when it comes to humanitarian aid. Yugoslavia, incidentally, is one of the founders of that organization, which was established in 1948. Every year, it has been setting aside dues of over $1 million. The dues have no longer been paid since introduction of the sanctions. Yugoslav physicians have taken part in almost all the actions of this humanitarian organization: India, Bangladesh, aid to the Kurds....

In response to the observation that a large number of drugs from Slovenia and Croatia are in pharmacies, Dr. Babic merely shrugged his shoulders and added that contracts on regular trade do not exist at the level of states. This inevitably raised the question of secret acquisition channels, even for drugs. In the absence of tangible evidence, of course, this is an issue on which rarely anyone dares to comment in specific terms. What is more, it is not difficult to figure out the "secret" of how they purchase drugs from abroad, because the operative principle here is you get as much music as you have paid for.

Because physicians are in a position of frequently being able to improvise, there is an emphatic need for physicians to be well-informed about the situation in pharmacies and about those drugs which are scarce. Improvisations are very hazardous unless the physician knows precisely all the indications and possible complications associated with the use of a certain drug. The city secretary proposed that the competent republic bureau draw up a list of the 500 most indispensable (priority) drugs which ought to be in circulation at this time. That would meet some minimum need.

Although so far not a single case of death has been recorded because of the drug shortage, Dr. Babic warns that this could happen soon. If the objective of the United Nations is to punish a people, then impeding normal imports is the best way of doing that. "I appeal to men of goodwill to at least speed up the mechanism for the importation of drugs. That normal period of time would be seven days or so, whatever is necessary to exchange two faxes. Otherwise, we are threatened with an unprecedented tragedy," Dr. Momcilo Babic concludes.

Shortage of Drugs for Children's Health Service

93BA0802C Belgrade BORBA in Serbo-Croatian 13-14 Mar 93 p V

[Article by Marina Grihovic: "Flawed Assistance"]

[Text] In government pharmacies, there are fewer and fewer drugs to treat children. It is difficult to obtain with a prescription, for example, fenoborbiton for "febrile stress," ventolin for bronchial asthma, macrolide antibiotics for children allergic to penicillin. The pharmacists say that the reason for this is the embargo: The importation of raw materials for the production of drugs is prohibited. Even preparations for children cannot be exempted from the sanctions, because they are produced from the same substances as those for adults; the only question is the dose and the form of the drug (for the youngest infants, the drugs are between one-fourth and one-sixth as strong and are produced as syrups or small capsules).

Our pharmaceutical stores, however, are well-supplied with vitamins, mainly originating in Slovenia. Unofficially, these preparations are imported because they bring in money (no prescription is required for most vitamin preparations); officially, their purchase price is lower, and the money can be obtained.

The private pharmacies correct the pattern of the pharmaceutical market, because they have all the drugs children need. The "new" pharmacists import the drugs which Yugoslav factories are not producing because of the shortage of raw materials or money, because the United Nations allows finished pharmaceutical products to cross our border. According to one of them, it is best to trade with the Slovenes—anything can be obtained if you can pay for it.

Excessively high drug prices nevertheless overshadow the quality and quantity of the services of the private pharmacies. Thus, bactrim—children's syrup—costs between 30,000 and 50,000 dinars, while Predens atomizers for children suffering from asthma cost 1,100 German marks. Social security is ready to pay parents compensation for some of the money, but they recognize only the official exchange rate, and the money arrives several months after the drug has been purchased.

There is a shortage of drugs not only in government pharmacies, but also in hospitals and health centers. "There are always drugs for emergency cases. When a small patient recovers a bit, we can count on help from the parents. We are having the greatest troubles with drugs for epilepsy, so that we have been required to give the same substances for differing forms of this disease," says Dr. Dusan Vranjesevic, professor and director of the Clinic for Neurology and Psychiatry of Children and Young People in Belgrade.

The hospitals are also receiving humanitarian aid from the Red Cross, both from foreign states and our own people residing abroad. Those drugs, as we have learned unofficially, often have a "defect"—either their shelf life is expiring or it expired long ago.

Until the government finds a solution, that is, money for hospitals and pharmacists, and at least moderates the children's troubles, certain private individuals and foundations are ready to facilitate imports. The Karic Brothers Foundation is preparing a project for the purchase of drugs which will be sold at the most favorable prices to government pharmacies and hospitals. Drugs used as therapy for children and young people will have priority.

Children who are refugees from Croatia and Bosnia are sharing the fate of their hosts. Most of the physicians still respect the ethics of their calling, so that, as one of them says, "we first give the patient the necessary aid, then we ask him what his name is." Last year, the federal and republic budgets compensated hospitals for the outpatient and polyclinic treatment they furnish to slightly under 180,000 refugees (5,000 of them children) in Serbia only for outlays for drugs, medical supplies, and food, and all the physicians provided treatment gratis. When we add to this that money is reaching hospitals and pharmaceutical institutions two months late, it is no wonder that there is no money to purchase the necessary drugs.

'Alarming' Shortages of Drugs Reported

93BA0802A Belgrade BORBA in Serbo-Croatian 13-14 Mar 93 p IV

[Article by Dragica Pusonjic: "Destiny as a Shortage of Drugs"]

[Text] They pay even their last dinar, radiant for having found at all the drug which they have chased for days from the government to the private pharmacies and back. "They" are the members of the public so unlucky as to be hit by a disease that cannot be treated by traditional methods—teas, garlic, or brandy. The essential question for them is no longer on which side the seesaw stops—whether there are or are not drugs. They, after all, look on the entire problem from the angle of the dilemma of "go hungry or stay healthy, decide for yourself."

The Real Miracle

There is no point in asking whether this was "really necessary," just as there is no point in repeating the list of scarce drugs. In the economic and political chaos that extends through the FRY, news about the shortage of drugs and medical supplies has become as commonplace as greetings in the morning. It would be a wonder if there were any. The simplest answers to questions about responsibility for the shortage of drugs and medical supplies come down to "the embargo"; that is, they are attributed to the international community, and all the domestic culprits are granted amnesty. Another view of the problem points to the lack of money, raw materials, inflation, "privatization" of the pharmacy department, and so on in that style. The third and other views of the matter lead toward the truth: Where there is no government, no economy, no work and earnings, that is, where there is no normal system or government administration, only a shortage of air would be something to wonder at.

"Alarming Drug Shortage in Nis," "Kraljevo Left Without Drugs," "Vojvodina Pharmacies Empty,"

"Shortage of Drugs Even in Hospitals," "Still Greater Shortage of Drugs After the Price Increase"—these are all newspaper headlines from the first quarter of this year, and they are sufficiently eloquent about the situation on the drug market. There have been other headlines: "My Kingdom for a Remedy," "The Drug Headache," "Sale of Drugs by the Pill."... It is no wonder, then, that our neighbors and brothers to the east are selling not only plastic lampshades, razor blades, dishcloths, undershorts, fingernail polish, smoked meat, videocassettes, and sets of dishes, but also aspirin, Andol, and other "everyday" drugs which inhabitants of Serbia and Montenegro used to buy by the bagful.

Nor were there grounds for optimism in the discussions in the Belgrade University Clinical Center [UKS], which is literally stumbling under the burden of its obligations, augmented by the numerous patients from Serbian territories outside the FRY, for whose treatment they are mainly unable to collect. In the gynecology clinic, for example, they have stocks of surgical materials for another month and a half, they say that they have stayed in operation up to now thanks to Jugopetrol, which has been regularly supplying them heating oil, the Red Cross of Serbia and Yugoslavia, the UNPROFOR [UN Protection Force], and Caritas, which have been supplying this clinic food and certain medical supplies. "Without them, we would not have been able to feed the patients," says Docent Spasoje Petkovic, director of the Clinic for Gynecology and Obstetrics. He says that the clinic is purchasing fresh milk, meat, and processed products at market prices which must be paid within seven days, and as far as drugs are concerned, in spite of all the reductions, the problems are so great that they lack even ordinary antibiotics. Just as was the case months back, so now there are no cytostatics or certain expensive drugs (which can nevertheless be found in the private pharmacies), but because the clinic does not have the money, the patients are forced to buy them themselves, Director Petkovic says. All in all, whoever has money or health can have hope.

In answer to the question of government concern about these problems, our informant responded caustically: "Insofar as the government is the Red Cross and a philanthropic organization—then it is concerned." What would happen if this clinic shut down? The director says that complete termination of operation is not possible, because "if we do not get bandages, we will wash and sterilize the old ones, if there are no new surgical knives, we will sterilize and operate with the old ones, if there is no meat and milk, we will give the patients what we can, just to keep them alive."

A Back Seat, a Shrine

The example of the ophthalmology clinic of the KBC [Clinical-Hospital Center] is informative. There are no antibiotics, there are no serums indispensable in connection with eye injuries, "there is nothing," they say. Two lasers have been idle for a year, there are no replacement parts, and certain other foreign apparatuses are being repaired by our "self-taught" physicians instead of foreign experts. Chief of staff Jovanovic, chief of staff Latkovic, and Dr. Jeremic say that "money is the main reason for the drug shortage," and that brought us to the question of the status of the health care service "which was accustomed to a back seat even in the old system." Chief of staff Jovanovic points to the irregular flows of money and drugs and the orientation toward the black market ("Galenika's crudest" products cannot be found, they are sitting somewhere, waiting for the right price or for the money which does not exist). He says that the problem of imported drugs is now more soluble. He explains that "there is quite a bit of dirty work" going on in the chain from the manufacturing of the drugs, through distribution, to the user, certain supply houses have become rich, firms have gone under which for 20 years obtained drugs for us on a 20-percent commission.... The top people in that clinic are bitter because people are going blind today, as they did in the Middle Ages, solely because they have diabetes.

In our "tour" of the UKS, we had occasion to see for ourselves, using yet another criterion, how far our once bright standards have dropped. The personnel in this institution, but also the patients, have for some time been "borrowing" from the UKS building light bulbs, pajamas, sheets, along with everything else that is "small" and can be carried. On the other hand, the physicians are operating even in wet uniforms. Still, none of that has to do with the embargo. The top people in the ophthalmology clinic see the way out in "allocation of money for the UKS, and then paying debts to Galenika" ("which has drugs in its warehouse").... However, although Serbia has been showing a keen interest in the post of governor of the NBJ [National Bank of Yugoslavia], this still does not mean that there will be no problems obtaining the money the health care service needs so badly. At a time when the spiders are doing most of the work in the factories, a growth of the money supply is of no benefit to the government, nor the health care service, nor the economy itself. But that raises issues which lie entirely out of the sphere of the shortage of drugs and the fate of patients.

"The situation has worn me down," says Docent Petkovic, when he told how for months he has been spending more than half of his worktime on contacts with various firms, individuals, private businessmen, the government, philanthropic organizations just to maintain some kind of normal operation in his clinic. As for the patients, especially those with serious, acute, and chronic illnesses, in view of the "situation" there continues to be nothing for them to do but either make the rounds of the private pharmacies with a bag of money or die of their disease.

[Box, p IV]

My Kingdom for a Remedy

Regardless of the embargo, the war, inflation, shortages, and other plagues, a man who is ill must nevertheless do

something for himself. The only thing he can do is to make the rounds of the private pharmacies with a bag of money, because the government pharmacies and hospitals have nothing anywhere. In several private pharmacies, we asked about the drugs which are scarcest and are in the greatest demand and about their prices; however, various excuses were used to refuse to reveal this "sweet secret." We obtained the information we requested in the Aleksandar Pharmacy in New Belgrade (No. 24 Pariske Komune), which has all the drugs listed in this miniguide. The prices, however, should be taken with reservation, partly because of the steady rise of the mark, and also because this pharmacy is one of the least expensive in the city, because it does not put drugs in the warehouse when a price increase is expected....

In most demand are antiasthmatics, atomizers and sprays, which cost between 160,000 and 290,000 dinars (which represents an average Serbian pension). Next come antibiotics, for which there is now a great demand; the Aleksandar Pharmacy has 12 kinds (nine are domestic), and the prices range from 72,000 to 450,000 (the cost of penactam from Krka). Drugs for gastric illnesses range from 28,000 to 239,000 (ranisan), sedatives to 60,000, and heart patients must set aside between 40,000 and 127,000 for a bottle of their drugs. Domestic drugs for high blood pressure cost more than 100,000, imports about 160,000; diabetics can count on prices between 40,000 and 160,000 depending on the type of drug needed, while antirheumatics reach a figure of 185,000 dinars.

Iron, other minerals, and vitamins do not exceed 124,000, but uroantiseptics go as high as 210,000 dinars per package of the drug. Vaginal antiseptics, whose price is between 50,000 and 170,000, are much in demand and are selling well. Among the most expensive drugs are tegretol, an antiepileptic, which now costs 760,000, glucochemotest paper (for determination of blood sugar), made by Pliva, now costs 1.05 million dinars (the purchase price is 739,000), apilepsin is 360,000, nozinan (100 tablets) is 200,000, and so on.

Hospitals are still issuing to parturients whole lists of things to buy before childbirth, antibiotic syrup for children costs 124,000, although the children "are not paying for treatment," and a package of 10 cotton diapers costs more than 400,000 dinars....

We should also say that the Aleksandar Pharmacy is giving away the drugs linex and nelit, because their shelf life expires at the end of March.

Petroleum Black-Market Trade Details

93BA0792C Belgrade BORBA in Serbo-Croatian 12 Mar 93 p 7

[Unattributed article: "Dafiment Bought a Million Liters of Gasoline From Jugoskandik"]

[Text] "There is dirty business and clean business with petroleum," one of the numerous participants in the petroleum business in the FRY, pressured by the oil embargo, said at the outset of his account. Insisting that he himself remain anonymous, our informant particularly emphasized that the importers and dealers in petroleum products include both foreigners and our people who for a long time have been living abroad, but also enterprising domestic petroleum bosses. Depending on whether they are interested in easy or honest earnings, that is, whether they are really, as they say, working above all for the good of the fatherland "against which the entire rest of the world has conspired" or primarily for their own pocket, these "business people" often inflate the actual costs of procuring the fuel to astronomical levels. The price is, of course, paid by the public, directly at the gas pump, when people buy gasoline for their car, or for products whose price includes the inflated cost of the petroleum.

Foreign businessmen, who do not want to make dirty money with petroleum transactions by selling fuel to consumers here, according to our informant, insist that the contract for the goods be concluded with the ultimate customer, that is, the user. The "lot"—the minimum quantity in which they want to deal—is 20,000 metric tons. The dealer who finds them a customer includes in his price no more than 5 pfennigs per liter of fuel, so that a ton of diesel of the poorest quality costs 270 marks [DM] at the most after the goods have crossed the Yugoslav border. Better-quality diesel is, of course, more expensive, because in the West quality still determines the price, so that 57 pfennigs per liter have to be paid for this first-class fuel.

A liter of gasoline can be obtained at a price of 42 to 43 pfennigs per liter "outside," but because of the difficult transport conditions and all the hassles which octane commodities must go through, the private operators insist that importing them cost all of DM1 per liter, and they are objecting to taxes! It is also of interest that this winter foreigners have been selling heavy fuel oil, so badly needed, at wholesale to Serbia, that is, to trusted customers who then pass it on for heating or some other priority consumption, taking payment of $180 (DM270) per ton. On the black market, meanwhile, this fuel has already been traveling through well-worn channels at a price of about DM400. But our resourceful petroleum wheeler-dealers would probably not be in this business if they had not found a way to turn a profit even when they get the fuel at a cheaper price. By selling this heavy fuel oil to public firms, which pay for it in dinars, many of them are nimble brokers scalping with foreign exchange. The directors of the socialized firms naturally consent to transactions of this kind, because they do not pay the final bill, but the consumers, who, according to them, should be grateful to them that there is any heating, for example, at all.

Often, in the final stages of these transactions there is even another middleman—a private firm whose owner or close friend is operating in a deal with the Serbian Petroleum Industry [NIS], or he is himself employed in that government firm. Although the liter of fuel does not

cost them more than 40 pfennigs, these clever fellows, nimbly referring to various difficulties crossing the border, paying off intermediaries and inspectors of the United Nations, collect double the price from the NIS.

Working out big deals on behalf of the government abroad, these "sheiks" also cleverly attach to the convoy a part of their own transport. Then they usually sell their goods on the black market, with no paper trail at all and thus avoid the payment of tax. The government is deprived of a tidy sum of dinars, and these dealers again invest the easily earned foreign exchange in a new gasoline deal.

Jezdimir Vasiljevic also operated on the black market, according to our informant. Importing large quantities through channels that had been worked out from neighboring countries, Master Jezda would then dispense the fuel, as soon as it crossed the border, to petroleum dealers or directly to private operators who had their own stations or were leasing gasoline stations of Beopetrol and the NIS. It is also of interest that Dafiment Trejd, the largest lessee of five Jugopetrol stations, was not itself importing fuel, but was usually buying it from Jugoskandik Petrol or Jugoskandik Sveti Stefan. Thus, this week, for example, right at the time of Vasiljevic's mysterious departure from Serbia (while at the same time Dafina Milanovic was making statements that she would never flee like the owner of Jugoskandik)—Dafiment Trejd bought a million liters of gasoline from Jugoskandik Petrol. The price is, of course, a secret. But even the fact that these two firms are now selling fuel at gasoline stations at the same prices is evidence that there are firm ties between them.

Jugodrvo Involvement in Petroleum Imports

93BA0792B Belgrade BORBA in Serbo-Croatian 11 Mar 93 p 6

[Article by D. Sverko: "The Largest Petroleum Importer During the Blockade"]

[Text] The company Jugodrvo has been importing the largest quantities of petroleum ever since the embargo began, but it is well-known what routes it must travel now. The company in the meantime is honorable and clean, and I cannot answer your question as to whether the two ministers—Sava Vlajkovic and Velimir Mihajlovic (whose names are connected to the dirty business with petroleum), asked us for money and whether it was given to them, said Gojko Zecar, who himself says that he is the primary owner and chairman of the Board of Directors of Jugodrvo, in a statement for BORBA. He added that the company's objective is for the accurate facts to be determined and the public correctly informed, which is what the half-century tradition of this organization requires.

The details of the entire story, however, are associated with the name of Dobrasin Ralevic, Jugodrvo's primary businessman and general director, who made two trips to the Serbian MUP [Ministry of Internal Affairs] for "interviews." On the first occasion, he was taken into custody on the evening of 4 March and released on the morning of 6 March, and then they detained him once again on the morning of 8 March. At the time of this writing, the people at Jugodrvo are expecting Ralevic to come in from the conversation in the MUP.

During the interview in the Serbian MUP that lasted 24 hours, from Thursday to Friday evening, Gojko Zecar was also present.

He also informed us that the two managers of Jugodrvo who died recently—Radovan Nikolic, financial director, and Branimir Vukovic, director of the representative office in Budapest, had nothing whatsoever to do with the transactions involving petroleum. As is well-known, the day before yesterday Radovan Nikolic was found dead in the morning at the entrance to the building where he lived, and it still has not been cleared up whether this was a suicide (as indicated by the first findings) or homicide. Branimir Vukovic, on the other hand, died in a car accident near Novi Sad, while traveling to Belgrade on 5 March. The former had nothing at all to do with petroleum, from conclusion of the contract until its performance, except that he made entries on the basis of receipts and payments and furnished his signature. The latter, from what Zecar says, was helpful in getting payment for the petroleum through Jugodrvo's bank in Budapest.

The mysterious deaths of the two directors, which in Jugodrvo are considered an unfortunate coincidence, are meanwhile being joined by other things which are strange to say the least. Three months ago, about 2130 hours, members of State Security suddenly entered the premises of Jugodrvo on the fifth floor. They had allegedly received a report that a bomb had been placed in the office where the petroleum transactions were concluded. It was a false alarm, Zecar says.

When asked whether the two ministers who have been mentioned came to Jugodrvo, Zecar said that they had stopped by several times without staying very long.

In any case, Gojko Zecar, who came to Jugodrvo in 1985, was its general director until 1 March 1992. Dobrasin Ralevic, who had been his deputy, took the post of general director when the firm was reorganized. Gojko Zecar left the business, at his own request as he himself says, and on 1 March of last year he was appointed chairman of Jugodrvo's Board of Directors.

[Box, p 6]

Threats

Radovan Nikolic received threats some 10 days ago. These are said to have been threats from the private firm Cepter, with which Jugodrvo had concluded a transaction. The owners of Cepter later established that the contract concluded meant a loss for them, and it is felt that that is the origin of the threats.

Gojko Zecar has also been receiving threats. An anonymous voice yesterday and the day before called the Jugodrvo switchboard and threatened Zecar that after Nikolic's murder he is next, along with Mile Obradovic, director of the Domestic Trade Department.

Serbian-Macedonian Economic Cooperation Continues

93BA0794D Ljubljana DELO in Slovene 17 Mar 93 p 5

[Article by Branko Jokic: "Trading Without Prejudices"]

[Text] Although Macedonia is complaining about Serbia for a lot of reasons, economic cooperation between the states [words missing]; will the real picture of relations be revealed?

Skopje, 16 Mar—On one hand, the Macedonian authorities are accusing Serbia of blocking Macedonia's international recognition with Greece's support, and they are treating Belgrade as a claimant to Macedonian territory, but at the same time Macedonia is cooperating with Serbia in all economic areas, just as during the times when both were still members of the Yugoslav federation. One can hear opinions that "business cooperation" has even increased.

None of the officials in Skopje is willing to confirm or deny that Macedonia is cooperating with Serbia, and importing semifinished products and raw materials for the Serbian economy, so that the consequences of the economic sanctions are almost not being felt in Serbia.

This, of course, is a question of "mutual economic benefit," and it is not connected with politics, but is rather bringing Macedonia a lot of profitable work and ensuring it a favorable economic balance, so that the Macedonian market is well-supplied, and social tension is being kept within bearable limits.

The latest scandal in connection with the arrest of two ministers in the Serbian government also bears witness to the regular commercial and other economic relations between the former Yugoslav republics. For now, it is being said in Skopje that this involved food and medicines, i.e., products to which the sanctions do not apply, but signs can be detected that the "list of goods" was considerably more diversified.

The Belgrade Mafia scandal, of course, made a major impact in Skopje, but it is trying hard to have the rumors settle down, naturally in the interest of future cooperation. The Skopje pharmaceutical factory Alkaloid and Jugohrom, which produces medical material, in fact "specialized" in importing corn from Serbia. It is not yet known what role was played in these transactions by Stojan Trajkovski, who until recently was a minister in the Macedonian government, although he stated that he had "procured a loan" of 30,000 marks for arrested Serbian Minister Sava Vojkovic.

The Skopje trade enterprise Profako reported today that it had no connection of any kind with the two trucks of sugar and 29,000 liters of edible oil that were seized by the police in Vranj, but it has been learned that the goods were bought by a certain Belgrade enterprise and that Profako has had extensive commercial trade (the list of goods is not known) with the Serbian Directorate for Commodity Reserves. That enterprise also imported corn from Serbia, and 700 tons are now held up in Bujanovac, where it was seized by police. This was a "barter transaction" that the Serbian government verified, but a few days ago the contract was canceled.

People in the Macedonian capital think that after the arrest of the Serbian ministers a big scandal may break out here, in which some important representatives of the Macedonian authorities should be involved. Perhaps then the real picture of Macedonian-Serbian relations, which are said to be "more and more tense," will be revealed.

Serbia

Milosevic Meets With UNPROFOR Commander Wahlgren

LD0804160593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1400 GMT 8 Apr 93

[Text] Belgrade, 8 Apr (TANJUG)—Serbian President Slobodan Milosevic today received Swedish General Lars-Eric Wahlgren, UN Protection Force [UNPROFOR] commander in former Yugoslavia, and Cedric Thornberry, the UNPROFOR head of civilian affairs.

A statement was issued by President Milosevic's office disclosing that the talks focused on topical issues of importance for the implementation of tasks entrusted to the United Nations peacekeeping forces.

Gen. Wahlgren briefed President Milosevic about UNPROFOR efforts to contribute to the establishment of peace in war-torn areas.

President Milosevic lent his support to these efforts, stressing the need to maintain the cease-fire as a significant factor of a successful continuation and acceleration of the peace process. In this context, President Milosevic—responding to the need to speed up negotiations between high-ranking military representatives of armies in Bosnia-Herzegovina—offered to host another meeting of top military representatives of the Serb Republic [in Bosnia-Herzegovina] and UN peacekeepers in Belgrade, so that solutions to problems causing tensions and endangering the cease-fire in Bosnia-Herzegovina could be found.

On this occasion it was also stressed that the Republic of Serbia was willing to host a meeting of all warring sides in Bosnia-Herzegovina and thus contribute to an intensified peace process. It is expected that, in line with this agreement, a meeting between Gen. Wahlgren and

[Bosnian Serb military commander] Gen. Ratko Mladic and their aides will take place in Belgrade as soon as tomorrow.

Yugoslav Foreign Minister Vladislav Jovanovic took part in these talks, the statement concludes.

Wahlgren, Milosevic Plan Meeting

LD0804211993 Belgrade TANJUG in English 2053 GMT 8 Apr 93

[Text] Belgrade, April 8 (TANJUG)—Commander of the U.N. Protection Force in former Yugoslavia (UNPROFOR) General Lars-Eric Wahlgren said on Thursday [8 April] that Serbian President Slobodan Milosevic had promised him that he would try to organize a meeting at the highest level between UNPROFOR representatives and Serbs from ethnic war-torn Bosnia-Herzegovina on Friday.

Gen. Wahlgren met with Milosevic on Thursday. The cabinet of the Serbian president said that it was expected that Gen. Wahlgren would meet with commander of the Army of the Serb republic [in Bosnia-Herzegovina] General Ratko Mladic in Belgrade already on Friday.

Speaking at a press conference in Belgrade, Gen. Wahlgren assessed that a meeting between representatives of the UNPROFOR and Serbs from Bosnia-Herzegovina could be a catalyst for a lasting peace in that former Yugoslav Republic in which an ethnic war between local Serbs, Croats and Moslems has been raging for a year.

Gen. Wahlgren announced that he would organize a new meeting between military commanders of the three warring sides if the meeting on Friday was successful. The meeting would cover the preservation of the cease-fire established on March 28, the separation of the warring sides, and humanitarian aid shipments.

The U.N. force commander informed reporters that the cease-fire in Bosnia-Herzegovina was respected in part on Thursday, adding that the situation could have been better.

Gen. Wahlgren announced that he would send a certain number of U.N. troops to Srebrenica, a Moslem enclave in Serb-controlled eastern Bosnia-Herzegovina. He said that he had the mandate for this from the U.N. Security Council and U.N. Secretary-General Butrus Butrus-Ghali, and that President Milosevic had also promised to help him.

Gen. Wahlgren said that it was quiet in Srebrenica on Thursday, according to reports from a few UNPROFOR troops who are in that town.

He said that the UNPROFOR had no information that Srebrenica had been under artillery fire on Wednesday and that the waterworks and hospital had been destroyed.

The Swedish general said that the UNPROFOR could say with certainty what was happening in the region of Srebrenica if it had troops deployed there.

Wahlgren, Mladic Meet

LD0904101393 Belgrade TANJUG Domestic Service in Serbo-Croatian 0941 GMT 9 Apr 93

[Text] Belgrade, 9 Apr (TANJUG)—Talks between Swedish General Lars-Eric Wahlgren, the UN Protection Force [UNPROFOR] commander in former Yugoslavia, and Lieutenant Colonel General Ratko Mladic, the commander of the Army of the Serb republic (in Bosnia-Herzegovina), opened in a villa belonging to the Republic of Serbia in Belgrade at 1100 today.

The UNPROFOR commander in former Bosnia-Herzegovina, French General Philippe Morillon; the head of UNPROFOR Civilian Affairs, Cedric Thornberry; and the deputy commander of the Serb republic Army, Major General Milan Gvero, are attending the talks.

Serbian President Slobodan Milosevic helped arrange the meeting.

Following the last Wahlgren-Mladic meeting, which was held in Belgrade on 26 March, a cease-fire for former Bosnia-Herzegovina was agreed. The cease-fire came into force two days after the meeting.

Seselj Calls For 'Missiles' Against Foreign Warships

AU0804161893 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 8 Apr 93

[Text] The Serbian Radical Party condemns the threats by the West that foreign warships will enter our territorial waters, said party leader Vojislav Seselj at the regular party news conference. Dragoljub Stankov reports:

[Stankov] If military ships enter our territorial waters, the Navy, according to Seselj, has to respond with missiles and coastal artillery.

[Begin Seselj recording] The Federal Republic of Yugoslavia must do that if it wants to maintain an elementary level of state sovereignty. [end recording]

[Stankov] Retaliatory measures should also be undertaken, meaning that foreign ships should be banned from our part of the Danube, or huge taxes should be charged that would increase the cost of traffic to such an extent that it would become uneconomical, Seselj believes.

The Serbian radicals believe that the measures undertaken by the federal government are insufficient, as an economic war is being waged against us, which is more dangerous than conventional orthodox war, Seselj says. According to him, the state has to balance the salaries and pensions in accordance with certain criteria, and to ban strikes in state companies.

The Serbian radicals also have a plan for solving the problem of foreign currency saving accounts, which, according to them, could be used as coupons for the purchase of real estate and federation property. The state has to assume control of Jugoskandik and Dafiment Bank in order to rescue the savings accounts and prevent social unrest, Seselj said.

Opposition Reacts to Court Upholding of Election

LD0804200693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1730 GMT 8 Apr 93

[Excerpt] Belgrade, 8 Apr (TANJUG)—Representatives of Depos [Democratic Movement of Serbia] and the Fund for the Development of Democracy reacted today to a decision by the Serbian Constitutional Court that the Constitution was not violated when the law on the election of deputies to the Chamber of Republics of the Yugoslav Assembly was adopted. The same opposition parties initiated the examination of the constitutionality of this law.

Vuk Draskovic, chairman of the Serbian Renewal Movement, said that the "decision of the Serbian Constitutional Court, rejecting a demand by Depos to get back four unconstitutionally and unlawfully seized seats in the Chamber of Republics of the Federal Assembly, comes as a result of direct pressure on judges exercised by the Serbian president."

Draskovic said that "it is clear where Serbia is standing now and what the democratic opposition must do when the Constitution is not observed even by the Constitutional Court."

"Having turned the Constitutional Court into a servant of lawlessness, the regime in Serbia has directed the opposition parties to use methods of non-parliamentary struggle and will bear the responsibility for the consequences," Draskovic said, adding: "If we cannot do it peacefully and legally, we will have to do it by other means." [passage omitted]

Oil Shortages Reportedly Impeding Rail Traffic

AU0804203693 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 8 Apr 93

[Text] During the last few days the rail transportation company Beograd has been having further problems in maintaining regular traffic. This is the fourth consecutive day that not one train from Kosovo and Metohija has arrived in Belgrade or vice versa. The situation is similar with trains on the Belgrade-Zajecar-Prahovo route.

As we have learned from the company, a somewhat improved situation is expected tomorrow. Because of the coming weekend and the swearing-in ceremony of young Army recruits, two trains should head for the south, at 1430 and 2245, and two for Zajecar, one at 0615 and the other at 1555. Whether the oil shortages will permit this remains to be seen.

As for other diesel-using regions [rejon] in the republic, in the local traffic, all passenger express and commercial trains will be added to the traffic according to the availability of oil, while passengers who are interested can get information on departure times every six hours at railway stations.

Defense Minister, Mayor Discuss Belgrade Defense Plans

LD0804190393 Belgrade TANJUG Domestic Service in Serbo-Croatian 1049 GMT 8 Apr 93

[Text] Belgrade, 9 Apr (TANJUG)—Defense Minister Marko Negovanovic and aides paid a working visit to the Belgrade assembly today and publicized a statement issued by the minister's office. During the talks with Chairman of the City Assembly [Mayor] Slobodanka Gruden and President of the Executive Committee Nebojsa Covic, the participants discussed topical issues regarding defense preparations in the capital. The discussion concentrated on the place and the role of the bodies of local self-management in the defense system, on the cooperation between the administration of the Ministry of Defense in Belgrade and other competent city bodies, and on topical issues regarding the financing of defense activities and on ways of discharging other defense functions.

At the talks, the discharge of defense duties were discussed and an agreement was reached about further activities for competent bodies.

Following the talks, the Serbian defense minister and the Belgrade mayor visited a number of city bodies and organizations that have special defense duties. They also planned to visit a number of municipalities, organizations, and bodies of special interest for the defense of Belgrade, the statement concludes.

Macedonia

Gligorov Addresses UN General Assem' 'y

LD0804223893 Skopje Radio Macedo' vork in Macedonian 1954 GMT 8 Apr 93

[Speech by Macedonian President Kiro Gligorov before the United Nations General Assembly in New York on 8 April—recorded]

[Text] The admission of the Republic of Macedonia to the United Nations organization is an act that shows that justice exists and is a bright example of how a small and peace-loving people can realize its right to self-determination, statehood, and its responsibility within the international community in a peaceful and legitimate way.

On this occasion, I would like to outline only a part of the long and often tragic history of my people. This is a people with a long memory and with a rich cultural history and tradition: a people that gave the first literacy, literature, and Christianity to the Slavonic nations; a people whose fresco

paintings are the only bright spot in the European medieval gloom; a people whose modern literature and art is a part of the world cultural riches; a people whose fundamental cultural and political motto is and has always throughout its history been expressed in a spirit of coexistence, and ethnic and religious tolerance.

This is a people who in World War II joined the antifascist coalition and who, in that struggle—at the first session of the ASNOM [Antifascist Council of National Liberation of Macedonia]—created the Macedonian state, which then joined the Socialist Federal Republic of Yugoslavia.

The strategist of the national and liberation movement of the Macedonian people at the turn of the century, the humanist and cosmopolitan Goce Delcev, clearly expressed that spirit in his view of the world as a field for the cultural contest between nations. In that spirit, the Republic of Macedonia proceeded and today has gained the position of an independent and sovereign state.

It is the only one of the states of the former Socialist Federal Republic of Yugoslavia that gained its independence in a peaceful and legitimate way. Through a referendum, through a new Constitution, it is the only republic that did not take and is not taking part in the war, in the ethnic and religious confrontations that, unfortunately, frantically spread to the region.

Unfortunately, on the path toward its independence, the Republic of Macedonia suffered much damage and procrastination. It was exposed to the unjust process of procrastination with regard to its international recognition. It was objectively placed in a position where it suffered losses from sanctions against Serbia and Montenegro. It was also confronted with other difficulties.

Despite all this, however, the citizens of the Republic of Macedonia and its state bodies remained true to the principles of peace, dialogue, interethnic understanding, tolerance, and coexistence with all nations living in the Balkans. We were convinced of the ability of the United Nations to adopt this just decision.

Today, the Republic of Macedonia—as a peaceloving state in Europe—is building its foreign policy on the basis of the UN Charter, on strengthening international peace and security, and on the development of economic cooperation and protection of human rights as conditions for a safer and fairer world for all. Now, as an equal member of the United Nations, it will actively join in the realization of the principles of the UN Charter and the Charter itself.

Proceeding from its own traditions and modern spirit, our highest goal is the realization of human rights and, particularly, the rights of minorities and ethnic groups living in the Republic of Macedonia. It is a fatherland for the Macedonian people, Albanians, Turks, Serbs, Romanies, Vlachs, and members of other nationalities. In our own spirit, we are going to strengthen good-neighborly relations and friendliness in the Balkans.

The Republic of Macedonia wishes for and is prepared to contribute to the settlement of international conflicts in accordance with the UN Security Council resolutions, in the interest of peace and security. [passage indistinct] .... to join activities of specialized agencies within the system of the United Nations. As a European state, its orientation is to become a member of the community of European states.

I am solemnly declaring on behalf of the Republic of Macedonia that we shall respect norms of international law and principles of the UN Charter in our international relations. As before, we are ready to develop our relations with all the countries in the world, observing principles of sovereign equality, not allowing the use of force, not interfering in internal affairs, and with respect for integrity and independence.

In keeping with these principles, we are particularly interested in the development of relations with our neighbors—in overcoming the present situation burdening relations with Greece as soon as possible, and in the opening up of a path for friendship and cooperation with Greece.

Finally, at this historic moment for my state and my people, I cannot help repeating that this act represents the materialization of the UN Charter preamble and reaffirms our trust in fundamental human rights, dignity, and the value of human personality and the equality of nations and countries, no matter how big or small. Thank you very much.

Opposition Seeks No-Confidence Vote Over Name Issue

LD0804225193 Belgrade TANJUG in English 1823 GMT 8 Apr 93

[Text] Skopje, April 8 (TANJUG)—The parliamentary club of Macedonia's biggest opposition party—the VMRO-DPMNE—on Thursday [8 April] moved for a no-confidence vote in the Skopje government for its consent that the state be received in the United Nations under the name of 'the former Yugoslav Republic of Macedonia.'

In explanation of the motion, the party said the government had exceeded its constitutional and legal competences when it agreed that the state be recognised under the proposed name and for failing to fly the state flag outside the U.N. building, pending an outcome of a dispute with neighbouring Greece over the name for the state and use of the 16-pointed star, an ancient Macedonian symbol, on the state flag.

Greece challenges this former Yugoslav republic's right to use the name of Macedonia and the star, laying historical claim on them and insisting that the name and

symbol would denote the new state's territorial aspirations after Greece's northern province of Macedonia.

There is no rejoicing in the former southernmost Yugoslav republic in anticipation of U.N. recognition. Protest rallies were staged in Skopje, Kocani and Resan against changing the state's name when it was announced on Wednesday evening that the U.N. Security Council had recommended to the General Assembly to receive the state as a member of the United Nations.

PDP Leader Halili on War 'Psychosis' in Republic

93BA0744D Ljubljana DNEVNIK in Slovene 6 Mar 93 p 6

[Interview with PDP leader Nevzet Halili by Petar Todorovski: "The Albanians Do Not Want War, But..."]

[Text] *PDP leader Nevzet Halili on the "ethnic detonator" psychosis in Macedonia; if war starts in Kosovo, it will probably be an all-Albanian war in the Balkans.*

Skopje, 5 Mar—The UN Security Council's resolution on the departure of UN peacekeeping forces for Macedonia, where they are to take preventive measures to keep the peace, has been practically fulfilled. About 700 soldiers from the Scandinavian battalion have been deployed along the border with Albania and the so-called Federal Republic of Yugoslavia [FRY]. In spite of this, however, Macedonia has not yet gotten rid of its war psychosis. The Albanians are mentioned everywhere as a possible detonator, both those from Kosovo and the domestic ones, those who live in Macedonia.

We talked with Nevzet Halili, leader of the PDP [Party of Democratic Prosperity], the largest party of the Albanians in Macedonia, about whether Macedonia was really threatened by the Albanians and whether the republic was possibly threatened by war.

[Halili] I can say for the Albanians that we do not want war. We Albanians in Kosovo, southern Serbia, Montenegro, Macedonia, and the Republic of Albania are against war. If it breaks out, however, we will have to fight. In our opinion, war is more likely in Kosovo than in Macedonia, and consequently we are surprised that the UN agreed to Macedonian President Gligorov's request that the blue helmets also be deployed along the border of the Republic of Albania, which does not have any territorial claims against Macedonia. It would be natural to have those troops on the borders with Serbia, Greece, and Bulgaria.

[Todorovski] Will the Albanians in Macedonia rise up if Kosovo boils over?

[Halili] If war starts in Kosovo, it will probably be an all-Albanian war. I am saying this because we are a people who have historically lived together several times and for a long time.

[Todorovski] Then a general Albanian war would mean the reunification of Albanians in one state?

[Halili] In the summer of 1991 in Pristina, the political parties uniting the Albanians in Kosovo, southern Serbia, Montenegro, and Macedonia established a coordinating body for the Albanian political parties, which is headed by Dr. Ibrahim Rugova. At that time we said how we envisioned a settlement of the Albanian question in the Balkans. There are three possibilities. First, we Albanians will not support the recognition of a republic of Kosovo and the establishment of autonomous areas in southern Serbia, Montenegro, and Macedonia unless Yugoslavia's internal borders are changed. If the internal borders of the former Yugoslavia are changed, the Albanians should establish another Albanian state in the Balkans, which would include all the territories settled by Albanians. If the internal and external borders were changed, we would establish a unified Albanian state in the Balkans.

[Todorovski] What option will you decide on if war breaks out?

[Halili] The second and third ones.

[Todorovski] Who can start a war in Macedonia?

[Halili] According to our assessments, a war stirred up from within cannot break out in Macedonia. No one can completely rule out that possibility, however, especially if we take into account the anti-Macedonian and pro-Bulgarian policy of VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party of Macedonian National Unity].

[End of interview]

In the conversation with the PDP leader, we learned that the Albanians in Macedonia will not give up on the establishment of Ilirida, a territorial and political autonomous area. They are committed to this by the outcome of the Albanian referendum held on 11 and 12 January 1991, and the Hague documents also talk about a special status. Those documents were also signed by President Kiro Gligorov, and they have been accepted by the Macedonian parliament. Nevzet Halili also advocates a new census, and says that the Macedonians in Macedonia are not even the majority people. He says that no one can convince him that there are more Macedonians than Albanians. In his opinion, there are at least as many, or even more Albanians than Macedonians.

'Secret Plan' To Partition Province Discussed

93BA0744E Ljubljana DELO in Slovene 6 Mar 93 p 5

[Article by Branko Jokic: "How Kosovo Is To Be Partitioned"]

[Text] *If Kosovo really is partitioned by Albania and Serbia, the latter is to receive two-fifths of the territory; the Serbs do not care about the past, and only want the natural resources; dissatisfaction among Albanian leaders.*

From our correspondent.

Pristina, 5 Mar—There is a lot of talk about Kosovo's fate, and recently it has been heard more and more often that it could be partitioned by Serbia and Albania. In some people's opinions this is unacceptable to both the Albanians and the Serbs, especially to the adherents of "extremist" parties and goals, but others think that that possibility would be the only (sensible) outcome, if people want to avoid an armed conflict—of course, provided that both sides receive what they want to have. That is impossible, however, in view of some of their aspirations, which are no longer a secret to the public.

Some intellectual and opposition circles in Belgrade have been advocating the idea of partitioning Kosovo for a long time now. It is said that Dobrica Cosic is also inclined toward it; allegedly, through special emissaries, he also notified the leaders of the most influential Albanian parties in Kosovo, primarily Dr. Ibrahim Rugova, of his consent. Cosic, however, denied this some time ago, though very (un)clearly, and therefore it has been said that he was forced to speak out in public because the Serbs in Kosovo are vocally expressing anger because of this. Because they are putting strong pressure on Cosic, this is possibly the principal reason why the Serbian Radicals are demanding his resignation—with the desire of protecting him "until further notice" from the stamp of "traitor" (even though they know that they would only pressure him with difficulty, since he is considered the ideological father of the Serbian national program and the memorandum from the Serbian Academy of Science).

It would be interesting, however, to point out the "secret plan" to partition Kosovo that has been circulating through the province and is allegedly acceptable to Cosic. According to that map, the Serbs, in accordance with their percentage of the population, would get "only" two-fifths of Kosovo, and the Albanians would have to be satisfied with the "bulk." It is interesting that this "little Serbian piece" will keep Pristina (which is not that important) and above all the Trepca mine, the thermoelectric power plants, the coal mine in Obilic (which is among the richest surface mines in Europe), and the railroad junction in Kosovo Polje.

What follows from this is even more interesting, of course, provided that that proposal really is acceptable to Serbia. Specifically, the fact is that it is not interested in either the past or cultural and historical monuments (the Pec patriarchate, the Decani monastery, the medieval monuments in Prizren, the "capital" of Emperor Dusan), but rather primarily in natural resources, i.e., what people are living on now, whereas they would abandon their history to the Albanians in the hope that the Serbian cultural monuments would receive the same status that they have in Croatia. If that were not feasible, they would even do without the past and the cultural monuments, although in the past those have been the only motives for Serbia's desire to hold onto Kosovo.

According to Shkelzen Maliqi, vice president of the Democratic Party of Kosovo, it is true that the Serbian authorities are bringing up the problem of a partition, but it is not clear to him what their intention is. In his opinion, there would only be a starting point for negotiations if the Serbs supported two (unimportant) border municipalities (Leposavic and Zubin Potok). That concept, however, he says, conceals an overture for war and an occasion for the ethnic cleansing of the territory that Serbia is craving.

The Albanians are still far from enthusiastic about the partition. That is confirmed by many of their party leaders, while Dr. Rugova has not yet expressed his opinion. Academician Dr. Rexhep Qosja, for example, is not even thinking about a partition, but he thinks that the Serbian municipalities of Presevo, Bujanovac, and Medvedje, and parts of Montenegro, should belong to the future Republic of Kosovo (which would be united with Albania). Azem Vllasi, a former Kosovo politician and now a lawyer, wonders why (all) the Albanians would not have the right to live in one state, just as "all the Serbs" are striving for. He does not support a partition, and thinks that the 150,000 Serbs in Kosovo (in his opinion, there are 1,700,000 Albanians) should be guaranteed "all rights," and that an attempt should be made to have Kosovo independent of both Serbia and Albania. "If three Serbian states can exist, why couldn't two (or three) Albanian ones as well?" Vllasi wonders. Halil Matoshi, vice president of the Parliamentary Party, claims that Serbia primarily wants to hold on to Trepca and Obilic, and that everything else interests it less. Consequently, in his opinion, they could agree that those natural resources would be exploited jointly (for at least another 20 years). Under such an "agreement," the Albanians, he says, would consent to a compromise solution: Kosovo would be an equal entity in the present Yugoslav state, i.e., a republic, which would later also receive the right to self-determination.

The majority of Albanians, however, are not interested in transitional solutions, and instead only see two possibilities: their own state, or death. That can also be understood from a flyer that has been widely distributed these days (among Albanians) in Kosovo. The Serbs there also "do not care for it at all," but well-informed sources close to Dr. Rugova and Cosic claim that the process of negotiation has started anyway; it is just that no one knows what its goal is....